Austria Sch 16	Indonesia Rp 2500	Portugal Esc 75
Bahrain Din 0.550	Italy L1100	S. Arabia Rls 5.00
Belgium BFr 35	Japan Y250	Singapore S$4.10
Canada C$2.00	Jordan Fils 500	Spain Pta 100
Cyprus Mils 600	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.75	Lebanon L6.00	Sweden SKr 6.50
Egypt FE1.00	Luxembourg LFr 35	Switzerland SFr 2.00
Finland Fmk 5.50	Malaysia Ru 4.25	Taiwan NT$35
France Fr 5.00	Mexico Pes 300	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.00	Turkey L160
Greece Dr 60	Netherlands Fl 2.50	U.A.E. Dh 6.50
Hong Kong HK$12	Norway Kr 6.00	U.S.A. $1.50
India Rup 15	Philippines Pes 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,288 Tuesday April 3 1984 D 8523 B

Cross-currency loans cut cost of borrowing, Page 19

NEWS SUMMARY

GENERAL

Protests grow at French steel plan

Steelworkers in the Lorraine region yesterday blocked the Paris-Luxembourg railway line and raided the local Socialist Party headquarters at Metz, as French Government plans to restructure the industry continued to cause tension in the political left.

Lorraine regional authorities followed Communist Party leader Georges Marchais in condemning the plan, and the bishops of Metz and Nancy agreed to allow church bells throughout the region to ring in solidarity with a general strike against the plan, called for Wednesday.

Government spokesman Max Gallo said the wave of unrest over the steel plan was an attempt "to manipulate the drama for political ends." Page 18

Cable TV 'may fail'

Multi-channel cable TV may be a commercial failure in Western Europe unless government policies change radically to allow cheaper systems and restrict the industry less, a UK report claims. Page 11

Chilean reshuffle

Chilean Finance Minister Carlos Caceres lost his job in a reshuffle of Gen Augusto Pinochet's economic team, the fourth cabinet change in less than a year. Page 6

Punjab tension grows

India's four northern states face disruption and the risk of violence today following the killing of a leading opposition party leader in the Punjab. Page 4

Poles urged to vote

Polish authorities began a big campaign to counter opposition efforts to encourage a mass boycott of local elections in June, the first national poll since the imposition of martial law.

Hong Kong hopes

China believes it will agree with Britain on the future of Hong Kong by September, Foreign Minister Wu Xueian said. British Foreign Secretary Sir Geoffrey Howe visits Peking this month for talks. Page 4

Swazi coup foiled

Swaziland said an attempted coup by a "gang of four" – two Cabinet ministers, an MP and a royal prince – had been foiled. In a separate incident, seven African National Congress members were arrested. Page 4

Bolivian deal

Vice-President Jaime Paz Zamora's party was expected to return to Bolivia's coalition government after being offered four Cabinet posts. Page 6

Cyprus peace plan

Washington and Moscow are both backing a UN compromise peace formula to reduce Greek-Turkish tension on Cyprus. Page 2

U.S. Unesco probe

Four U.S. investigators began an inquiry into claims of financial mismanagement and personnel malpractice at Unesco, which could influence other western countries to follow the U.S. out of the organisation.

Apartheid anger

Coloured (mixed-race) Peruvian soccer player Augusto Palacios, who went to work in South Africa this year, said he would leave because he has been banned from living in the same house as his white wife.

BUSINESS

Kleinwort buys U.S. primary dealer

KLEINWORT BENSON, the UK's biggest merchant banking group, is to buy ACLI Government Securities (AGS), a U.S. government bond dealer, for $27.3m in cash. The deal will make it the first full foreign owner of one of the 37 primary dealers recognised by the Federal Reserve Board to make markets in U.S. treasury securities. Chicago-based AGS has net assets of $18.2m and made $7.8m last year. Page 18

WALL STREET: Dow Jones index closed 11.73 down at 1,153.16. Report, Page 25; Full share listings, Pages 26–28

LONDON: FT Industrial Ordinary index was 6.2 off at 870.8. Report, Page 29; FT Share Information Service, Pages 30–31

TOKYO: Nikkei Dow index rose for the sixth successive day, passing 11,000 for the first time to close 81.78 higher at 11,050.19. The Stock Exchange index added 5.3 at 876.62. Report, Page 25; Leading prices, other exchanges, Page 28

DOLLAR improved on news that U.S. construction spending rose in February. It rose in London to DM 2.602 (DM 2.5895), FFr 8.006 (FFr 7.9775), SwFr 2.154 (SwFr 2.15) and Y224.6 (Y224.4). Its trade-weighted index, calculated before the close fell 0.2 to 126.1. In New York it closed at DM 2.622; SwFr 2.166; FFr 8.085 and Y225.35. Page 35

STERLING was weaker on fears about the miners' strike. It closed lower in London at $1.4355, down 70 points, and at FFr 11.49 (FFr 11.505), SwFr 3.095 (SwFr 3.105) and Y322.5 (Y324) and was unchanged at DM 3.7375. Its trade weighting was 79.8 (80.1). In New York it closed at $1.4245. Page 35

GOLD finished $4.5 lower in London at $383.75. In Frankfurt it was $4.25 off at $384.5 and in Zurich it closed at $387.5, down $1.25. In New York the Comex April settlement was $387.60 ($387.50). Page 34

SWEDEN: Risk of widespread conflict in the labour market grew as blue-collar workers' leaders warned of sympathetic action in support of low-paid workers who cannot push through wage settlements alone. Page 3

IRISH Government is to use the country's price control mechanism to enforce the seven-month pay freeze this year, though this has failed before. Page 3

URUGUAY achieved a trade surplus of $309m last year, its first since 1976, mainly because imports fell 36 per cent to $706m. Page 6

DUNLOP FRANCE, subsidiary of the UK Dunlop group, received a last-minute bid for its Dunlopillo mattress and car seat operations from Treca of France. Page 19

MASSEY-FERGUSON, Canadian machinery and engine maker, cut net loss to U.S.$68m from U.S.$413.2m in the year to January 31 on sales a quarter lower. Page 19

PAN AM gave up its 49 per cent share in Ariana Afghan Airlines, which it helped create, as a result of the Soviet occupation of Afghanistan. Page 2

DISTILLERS COMPANY, leading British supplier of Scotch whisky, is to pay £174m ($250m) for Somerset Importers of New York, one of its biggest customers. Page 18

REUTERS, international news agency and business information group, reported pre-tax profit up 50 per cent to £55.25m ($79m) last year on turnover 35 per cent higher. Its public flotation is planned for next month. Page 11; Lex, Page 18

WEBER, Fiat carburettor subsidiary, increased group sales by 23.7 per cent to 370bn ($230m) and reported parent-company surplus of 4bn after setting aside 24bn for depreciation. Snamprogetti result, Page 19

Jerusalem raid may signal shift in guerrilla tactics

BY DAVID LENNON IN TEL AVIV

ISRAEL is braced for a new wave of guerrilla attacks following the unprecedented shoot-out in central Jerusalem yesterday between Arab guerrillas and Israeli civilians and police.

One guerrilla was reported killed and at least 48 Israelis injured, with a number of fatalities feared. Two guerrillas were taken captive after the furious gunfight which involved shopkeepers, passers-by and police.

This is an entirely new type of attack, which has heightened fears that Palestinian guerrillas will adopt a far more aggressive and daring style in future attempts to force Israel to recognise the national right of the dispossessed Palestinian people.

There has been a gradual build-up of bombings in Jerusalem in recent months. These are apparently the work of the radical Palestinian groups frustrated by the failure of the relatively more moderate, political efforts of Mr Yassir Arafat, Palestine Liberation Organisation (PLO) chairman, to achieve some progress on the issue of Palestinian rights.

The effect of the 1982 PLO defeat in Lebanon, which stunned the Palestinian military organisations, appears to be wearing off. Israel now fears a new heightened round of guerrilla attacks especially from the more radical organisations.

Yesterday's attack began in midmorning as the guerrillas, two of whom had been shopping in a clothing store, suddenly pulled out automatic weapons and hand grenades, rushed outside and began firing at random.

Local shopkeepers and pedestrians drew their own guns and fired back. The police quickly joined in. One shopkeeper claimed to have shot dead a guerrilla.

Two guerrillas tried to escape, but one was caught in a nearby vegetable market, and police said another was captured while trying to drive through a road block on the road to Bethlehem.

Mr Yitzhak Shamir

Police described the shoot-out as "a new type of attack which we have not encountered before."

Mr Yitzhak Shamir, the Prime Minister, warned that those who perpetrated the attack and those who sent the attackers would be punished. He said that while most of the attempted guerrilla attacks in recent times had been unsuccessful, yesterday's raiders had managed to kill, cut down and massacre Israelis.

Despite the shock which the raid delivered to the Israelis it may well prove to have been a failure from the planner's point of view. If the Democratic Front for the Liberation of Palestine, which claimed responsibility for the attack, is to be believed then the aim was to capture the nearby Tourism Ministry building and to take hostages.

In a statement issued from Damascus, the group headed by Mr Naif Hawatmeh, claimed that the guerrillas had taken hostages in the Tourism Ministry and were demanding the release of Palestinians held prisoner in Israeli jails. However, it would appear that this plan went awry and that the guerrillas opted for a shoot-out in the busy city centre.

● Queen Elizabeth, who has just completed a state visit to Jordan, has been invited to visit Israel, the Israeli Embassy in London announced yesterday. The invitation was extended by Mr Chaim Herzog, the Israeli President, during a luncheon with the Queen yesterday at Windsor Castle. Mr Herzog is this week on an official visit to the UK.

Vatican Bank probe widens

By Alan Friedman in Milan

THE INVESTIGATION of Archbishop Paul Marcinkus, chairman of the Vatican's bank, on allegations of impropriety in the handling of a 1972 loan to a former director of the collapsed Banco Ambrosiano widened last night. Judicial officials in Milan said they had notified Sig Carlo Pesenti, chairman of the company that borrowed from the Vatican, that he is also under investigation.

Sig Pesenti was a close collaborator of the late Sig Roberto Calvi, chairman of Banco Ambrosiano. His company, Ital Mobiliare, was the largest single shareholder in Banco Ambrosiano. The judicial communication dispatched to Sig Pesenti, who is aged 76, informed him that he was being investigated for failure to disclose relevant financial corporate information under the Italian civil code. He has been investigated on related matters since last year.

Archbishop Marcinkus, the American-born chairman of the Istituto per le Opere Religiose (IOR), in 1972 approved a L50bn ($31.1m) loan to Sig Pesenti's Ital Mobiliare. The loan was indexed to the Swiss franc and its existence was not disclosed until 1979 when it matured.

More than three times the initial amount – some L160bn – was supposedly repaid to the IOR in 1979. That was allegedly because of the appreciation over seven years of the Swiss franc against the lira. Sig Pesenti is being investigated for not disclosing the loan for seven years.

A senior Italian Government official meanwhile confirmed last night that the judicial communication informing Archbishop Marcinkus that he was under investigation was transmitted to him through the Italian Foreign Ministry. In 1982 a judicial letter to Archbishop Marcinkus concerning an investigation about his role in the collapse of Banco Ambrosiano was rejected by the Vatican because it had not been transmitted through appropriate diplomatic channels.

Judicial communication of the type issued to Archbishop Marcinkus and two of his senior colleagues at the IOR and now Sig Pesenti do not constitute formal charges under Italian law, but may indicate that investigations have reached an advanced stage.

The IOR, which has agreed to make a $250m payment as part of the forthcoming financial settlement of the long-running Banco Ambrosiano affair, controlled ten of the overseas "dummy" companies, to which Sig Calvi's bank lent $1.3bn

Volvo opens construction merger talks

BY KEVIN DONE IN STOCKHOLM AND TERRY DODSWORTH IN NEW YORK

VOLVO OF Sweden and Clark Equipment of the U.S. have opened negotiations that might lead to the merger of their construction equipment operations.

An eventual merger would create an important new force in the world construction equipment industry, capable of challenging in the wheeled loader and dump truck sectors the two giants, Caterpillar of the U.S. and Komatsu of Japan.

Another big competitor in these sectors is Fiat Allis, a joint venture of Fiat of Italy, which has a 90 per cent interest, and Allis Chalmers of the U.S. The combined annual turnover of the Clark and Volvo construction businesses would be about $717m.

This is the kind of consolidation that industry observers have been expecting for some time because of the long and deep depression in the markets for most construction equipment.

IBH Holdings of West Germany attempted in the early 1980s to build a large internationally competitive group, but it took over mainly weak companies and ultimately disintegrated last November.

By contrast, Volvo and Clark are both financially healthy. "This project is not coming because of weakness but because both are ready to be offensive and aggressive in the world market," Volvo said yesterday.

As a first step, Volvo BM and Clark Michigan, the respective subsidiaries, are to take shareholdings of 10 per cent in each other and will also appoint directors to each other's boards.

In a joint statement, the two companies said yesterday that they had agreed to "enter into a joint feasibility study aimed at combining their operations to form an entity that would command a considerable share of the worldwide market for construction and mining machinery."

The cross-shareholdings would be taken as "a strong indication of the seriousness of mutual commitment" to the project, both companies said yesterday.

In the feasibility study, Volvo and Clark intend to explore the strategic and operational advantages – particularly in product research and development, manufacturing, and sales and marketing – that could be obtained from a merger.

Volvo BM had sales last year of SKr 2.5bn ($325m) while Clark Michigan had sales of about $400m. Volvo claimed that after a merger the new company would be the world's third largest manufacturer of wheeled loaders and the number one in dump trucks.

Clark strengthened its position in the truck market early this year by acquiring Euclid from Daimler-Benz of West Germany for about $30m.

Continued on Page 18

Madrid to buy Roland missile

By David White in Madrid

SPAIN HAS decided to buy the Franco-German Roland anti-aircraft missile in preference to British Aerospace's Rapier, in a deal worth Pta 30bn ($201m).

The Gibraltar issue, on which little progress has been made in recent Anglo-Spanish talks, was one factor behind the choice, according to both Spanish and British officials.

The contract decision, which the British embassy in Madrid described as "very disappointing," was made yesterday by Sr Felipe Gonzalez, the Spanish Prime Minister, following the passing of deadlines on the rival bids on Saturday.

The deal is linked to important co-production and technology offsets and is designed to enable Spain to develop its own missile system.

The missile contract, which has been under discussion for several years, is the second recent setback for British hopes of breaking into the Spanish defence market, following the choice last year of the McDonnell Douglas F/A-18 Hornet to replace Spain's ageing generation of U.S. and French fighters, rather than the Anglo-German-Italian Tornado.

The Roland and Rapier emerged as the main contenders for Spain's low-level air defence system, against the Chaparral manufactured by Ford Aerospace of the U.S. and a recent bid by the Italian Aspide missile.

Britain had maintained hopes of clinching the deal, and made no preconditions on deployment of the missiles, some of which are due to be stationed in the Gibraltar region

Continued on Page 18

Alfonsin rejects austerity as debt rescue condition

BY JIMMY BURNS IN BUENOS AIRES

PRESIDENT Raul Alfonsin has again warned that Argentina will not be forced into a fierce programme of retrenchment as a condition for the renegotiation of its $43.6bn foreign debt.

"There are those who believe that we can only pay the debt by postponing growth and sacrificing the general welfare of our people. We think exactly the opposite," Sr Alfonsin said in a nationwide broadcast.

The President reiterated a pledge that Argentina would not repudiate on its debt. But his tough defence of "Argentine interests and the dignity of the nation" appeared to point a continuing difficult period ahead for creditors in their dealings with Buenos Aires.

Both the U.S. Government and Western banks had hoped that the $500m rescue package agreed at the weekend as a way of solving the immediate problem of the interest payments owed to U.S. banks, would lead to early signature of an IMF stabilisation plan.

Sr Alfonsin did not mention the IMF. On the contrary, the main thrust of his speech appeared to be aimed at stressing the degree of Latin American co-operation involved in the package and the way in which Argentina considered itself to have emerged strengthened by the last-minute concessions granted by its creditors.

"We know that from now onwards we are not alone and this is a fundamental change in a situation in which we were previously isolated and vulnerable," Sr Alfonsin said.

The President implicity ruled out a debtors' club by saying that the deal reflected a spirit of co-operation rather than confrontation. But local analysts interpreted his speech as a firm indication that Argentina still expects considerable flexibility from the IMF as well as better terms from the banks once it negotiates a broader package.

David Gardner in Mexico City adds: Officials have confirmed that Mexico's $100m portion of the emergency credit for Argentina could be repaid in grain shipments. This, however, is a fall-back position. The current plan is that the credit should be repaid out of the $300m bridging finance the U.S. Treasury is committed to provide once Argentina signs a letter of intent, with the IMF.

Should there be major obstacles to a deal with the IMF, the Mexican credit would become pre-payment, for grains, which Mexico is importing from Argentina this year for the first time. Contracts worth $136m have already been agreed but the form of payment – including a possible barter agreement – is due to be decided in the course of President Miguel de la Madrid's visit to Argentina, which was due to begin last night.

IMF confirms industrial recovery, Page 6; Lex, Page 18

Olivetti plans retail network for Europe

BY OUR MILAN CORRESPONDENT

OLIVETTI, Europe's leading data processing equipment company, is planning to set up a network of retail outlets in Europe, specialising in the sale of Olivetti personal computers and related software.

Sig Elserino Piol, joint managing director in charge of Olivetti's strategy, said that, although it was not clear whether the retail stores would be wholly owned or joint ventures, Olivetti would in a few months announce its plans to open such outlets "in several countries in Europe." He said: "We plan to take an initiative in the field of retail stores."

Olivetti has a 46 per cent stake in a chain of 60 personal computer shops in the U.S., which trade under the name of Microage. This venture, which Olivetti entered in late 1982, plans to have between 100 and 120 outlets operating by the end of this year.

In Europe, Olivetti products – from typewriters to calculators – are sold in a number of outlets, many in Italy. But the idea of an Olivetti-operated retail chain in Europe for computers is new, and Sig Piol explained that it was part of the group's expansion plans.

Sig Piol said he was "strongly convinced" that Olivetti could attain a lasting position as the second largest personal computer manufacturer in Europe. "We take it for granted that IBM will lead the market," he added.

Olivetti announced a new line of personal computers in London last week and is continuing to co-operate with AT&T, which last December paid $260m for a 25 per cent stake in Olivetti. Olivetti is selling around 100,000 "workstations" to AT&T this year for $250m. They will be marketed by AT&T in the U.S. market.

● Olivetti said yesterday that it had signed a $4.5m agreement with Yugoslavia for industrial and commercial co-operation in making office furniture. The deal calls for an exchange of products over the next five years.

Ford of Europe chief quits

By Kenneth Gooding in London

FORD OF Europe chairman Mr Edward Blanch resigned unexpectedly yesterday in a move that took his colleagues by surprise.

Mr James Capolongo, president, is to co-ordinate all Ford of Europe matters for the time being.

The indications are that the parent group will appoint a new chairman to replace Mr Blanch, who was 58 last month and has worked for Ford for 32 years.

He began his Ford career as a financial analyst and was elected a vice-president of the company in 1973. He became president of Ford of Europe in 1979 and succeeded Mr Bob Lutz as chairman, Ford of Europe, in August 1982.

Ford said last night that Mr Blanch "will remain with the company as a corporate vice-president until the end of the year to complete specific business studies related to international markets."

CONTENTS

Pan Am pulls out of Afghan line

By Leslie Colitt in Berlin

PAN AM has relinquished a 49 per cent share in Ariana Afghan Airlines, which it helped to create. The move followed cancellation last year by Ariana of contracts with Pan Am and McDonnell Douglas to provide crew training for the airline's Boeing 727-100s and DC10-30s and is a direct result of the Soviet occupation of Afghanistan.

West Germany's Lufthansa airline and Swissair have taken over the refresher training of Afghan pilots under contracts signed late last year.

A Swissair spokesman said its contract to provide up to 10 Afghan pilots with 100 hours of simulated training annually for the DC10 is expected to be automatically extended for another year. Lufthansa too said it is giving 100 hours of training this year to Afghan pilots of the Boeing 727s.

The refusal by the U.S. Administration to give visas to Afghan airlines' pilots last year is understood to have caused Kabul to cancel its contract with Pan Am which dated back to the 1950s, as well as the contract with McDonnell Douglas.

The DC10 owned by Ariana is claimed to be a favourite with the Soviet military on the Moscow-Kabul route as it is an all-freight version

Weinberger pledge on Turkey aid

BY DAVID BARCHARD IN CESME, TURKEY

PRESIDENT Ronald Reagan's administration yesterday promised Turkey to do its best to persuade the U.S. Congress to withdraw a decision by the Senate Foreign Relations Committee last week to block $215m (£150m) of Turkey's $934m aid package for next year unless the Famagusta new town of Varosha in Cyprus is handed back to the Greek Cypriots.

The decision, taken last week by an 11-7 majority, has been bitterly resented by Turkey. The vote followed the unilateral declaration of independence last November by the Turkish Cypriots in the northern sector of the island.

Mr Caspar Weinberger, the U.S. Secretary of Defence, who is here for the Nato Nuclear Panning Group meeting today and tomorrow, met his Turkish counterpart, Mr Zeki Yavuzturk, for about an hour yesterday morning. According to officials, the two men concentrated almost entirely on the aid question.

The U.S. Defence Secretary is understood to have repeated that the Reagan Administration deplores the proposed cuts and will do its best to have them revoked. He warned, however, that the struggle might be long and hard.

Mr Yavuzturk, according to Turkish officials, repeated Ankara's view that U.S. military aid is given because of Turkey's contribution to the overall Western defence effort and that it should not be linked to extraneous issues such as Cyprus. In the Turkish view, U.S. aid is unconditional excepts as stipulated in the 1980 defence agreement with Washington.

U.S. officials here are still sanguine about the chances of having the aid cut reversed.

Moscow to push for UN Cyprus plan

BY ANDRIANA IERODIACONOU IN ATHENS

THE SOVIET Union is to advise Turkey to accept the latest United Nations compromise peace formula for Cyprus, senior Cypriot Government officials in Nicosia said yesterday. The UN formula is also backed by Washington, which hopes to reduce Greek-Turkish tension in Nato through progress on the Cyprus issue.

The Soviets are understood to have disclosed their intentions during a five-day visit to Moscow last week by Mr Andreas Christofides, the Cyprus government spokesman. Soviet Foreign Ministry officials reportedly said they will advise Turkey to accept the UN proposal through the Soviet embassy in Ankara and the Turkish embassy in Moscow.

Moscow has not been actively involved in the Cyprus issue since 1975, when it proposed an international conference to settle the problems of the divided eastern Mediterranean island. Turkey dispatched troops to Cyprus, which has an 18 per cent Turkish-Cypriot minority, in 1974 after a coup organised by the Greek military junta against the Makarios Government.

The Soviet proposal was opposed by the West. But it became a part of the Cypriot Government's policy of "internationalising" the Cyprus issue. This meant raising the issue before international organisations and conferences in the hope of generating support to end the Turkish military occupation of the northern third of Cyprus.

The latest UN peace proposals, which were presented by Sr Javier Perez de Cuellar, the UN Secretary General, to the Greek Cypriots and Turkish Cypriots in March, reportedly call on the Cyprus Government to abandon internationalisation.

But at the same time they require the Turkish Cypriots to stop the implementation of last November's declaration of an independent state in the occupied north of Cyprus.

The independence move revived speculation on the "double enosis" scenario for Cyprus – the permanent partition of the island into two zones, one controlled by Turkey and the other by Greece.

The Soviet Union is understood to be opposed to such an arrangement, which would effectively mean the control of Cyprus by two Nato powers.

● Egypt and Cyprus agreed today to restore diplomatic relations severed in 1978, Reuter reports from Cairo.

Mr George Lacovou, Cyprus Foreign Minister, told reporters after a meeting with Egyptian President Hosni Mubarak: "We have agreed in principle to re-establish diplomatic relations in the very near future."

He said the decision reflected "the close good relations that traditionally exist between our two peoples."

Diplomatic ties were broken in 1978 after the killing in Nicosia of prominent Egyptian writer Mr Yousef Sebai by two Palestinians.

Double or quits choice looms for French Communists

BY PAUL BETTS IN PARIS

COMMUNIST RIVALS: M Charles Fiterman (above) and M Georges Marchais. A split from the coalition could throw the party into chaos

WILL THE Communists leave the Government this time? This has been the main question on the front pages and the television news, the main focus of every political conversation since the Mitterrand Government announced its tough steel industry restructuring plan last week. The independent left-wing daily "Liberation" put it succinctly yesterday: "The Communists, it's double or quits."

Ever since the Communists joined the Socialists as the junior member of the French left-wing governing coalition, the question of their departure from Government has regularly come up. This time, however, most political observers agree that the steel plan, involving up to 25,000 layoffs between now and 1987, has put the Communists on the spot.

M Georges Marchais, the Communist secretary general, has called the steel plan "a tragic error," and has urged steelworkers in the depressed Eastern steel region of Lorraine to fight it. He has also asked the Government to reconsider the restructuring programme.

However, M Marchais has carefully avoided speaking about the Communists pulling out of the Government so far. The party has adopted an extremely cautious approach, limiting its attacks to the steel plan. But the Communists are clearly in an extremely delicate situation. They have already had to swallow plans for large-scale layoffs in the coal and car industries. Since the left has come to power in France, the country has had to accept unpopular austerity measures.

Unemployment has continued to increase, and the Communists have been big losers in local elections. Moreover, they have had to put up with President Francois Mitterrand's firm stand in favour of the deployment of new U.S. nuclear missiles in Europe and his opposition to the European peace movement.

Criticisms

In recent weeks, the Communists have sharpened their criticisms of government policy, especially in the industrial sector. But these criticisms have always been followed by statements expressing the party's commitment to the coalition. It has been a strategy of one foot in the Government and one out to try to make the biggest political capital possible out of the Left-wing alliance. This strategy has annoyed the Socialists and on several occasions M Pierre Mauroy, the Prime Minister, and President Mitterrand himself have expressed openly their irritation.

The Communists are fully aware they have more to lose than to gain from leaving the Government. Without the Communists, the Socialists would still continue to have a comfortable parliamentary majority. The Communists, on the other hand, would lose all the advantages of being a part of the Government with four Ministers and the ability to place their people in key administration jobs both at national and local levels.

But with the steel restructuring controversy, it has become increasingly questionable whether the Communists can continue cruising along with their strategy of one foot in and the other out, trying to pick up votes from as wide a spectrum as possible of the discontended Left.

If the protests in Lorraine continue, the party will have to retain its credibility as the traditional defender of working class interests, and this may ultimately mean an open split with the Socialists.

Steady decline

What makes matters even more difficult for the Communists is that the party is involved in a key internal debate about its future and future leadership. Under M. Marchais, the party has been steadily declining, but he is trying to hold on to his position.

In recent months, he has attacked and sought to undermine his main rival and former protege, M Charles Fiterman, the Transport Minister. M Fiterman, backed by the party's younger technocrats, has proved a competent member of the French Government. For most, he is the leading candidate to succeed M Marchais as Secretary-General at the next party congress due to be held in the spring of next year.

A decision to leave the Government is therefore bound to have major internal party repercussions. What is more, neither M Marchais's camp nor the Fiterman faction favour pulling out of the Government at this stage, although M Fiterman would have to leave his ministry by the autumn if he is to run as the next Secretary-General of the party.

President Mitterrand appears to have taken another calculated gamble that the Communists would find it politically difficult to leave at this stage. His steel plan has caused rifts in his own Socialist Party but has also been applauded as a sign of "economic courage" of the Government's commitment to put its economic and industrial house in order.

Political losers

Although President Mitterrand is clearly expecting a growing backlash from the Communists, he is also calculating that in the end the big political losers can only be the junior members of the coalition. The Communists are expected to win about 12 per cent of the French vote in next June's European Parliament elections, according to the latest opinion polls. Should they go below 10 per cent, they would be in serious political trouble.

President Mitterrand has another important card up his sleeve. He has announced he intends to visit Moscow this year to meet Mr Konstantine Chernenko, the new Soviet leader. M Marchais was reported to have been on good terms with Mr Andropov, the late Soviet leader, but his relations with Mr Chernenko are said to be much cooler. An eventual visit to Moscow by President Mitterrand at a time when the Socialist President has said he wants to maintain and develop a dialogue with the Soviet Union could thus limit M Marchais's room to manoeuvre.

At the end of the day, the steel restructuring plan could turn out to be another major squeeze in what many suspect is President Mitterrand's eventual intention to make the Communists an increasingly weak political party.

The Communists know of this suspicion, so a decision to leave or not to leave the Government is made even more difficult. The poker game, in a sense, has just started.

Pressure grows in Dutch cabinet for extra cuts

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH coalition Government has begun fighting an internal battle on two fronts, and its long-term survival is far from guaranteed.

Last week, the hardest pressure was being applied on the nuclear weapons front, as the U.S. sought to persuade the Dutch to accept cruise missile deployment, and the Soviet Union to persuade them to reject it.

This week, the economics battle is hotting up. Mr Onno Ruding, the Christian Democrat Finance Minister, has been joined by Liberal members of the cabinet in demanding record spending cuts next year. Other Christian Democrat ministers, however, are opposed to any enlargement in the scale of proposed cuts beyond the Fl 7bn (£1.6bn) agreed when the coalition was formed in 1982.

Mr Ruud Lubbers, the Prime Minister and himself a Christian Democrat, is caught between the two. He is aware of the need to continue cost-cutting. He also knows that Mr Ruding's plan for an additional Fl 3bn in cuts next year will be extremely unpopular in the country and could cause grave electoral problems for the coalition.

The Liberals, who are generally much tougher than their cabinet partners on economics matters, did not accept Mr Ruding's line without question.

Mr Ruding's argument for Fl 10bn is that, without it, the Government will not achieve its key target of a public sector borrowing requirement by 1987 of 7.4 per cent of net national income.

The Planning Bureau's most recent report, published just over a week ago after considerable delay, contends that the 7.4 per cent deficit target is out of reach and that, partly as a result of government strategy, unemployment in the Netherlands is going to exceed 1m by 1987—that is, nearly 20 per cent of the workforce.

The cabinet's problem arises from the fact that reductions in public expenditure have proved difficult to sustain. A batch of social welfare cuts which was to have taken effect in July has been postponed, and a 3 per cent drop in public sector wages was only introduced in January after seven weeks of strikes up and down the country. New talks with the public sector unions on further cuts for 1985 and 1986 have broken down, and once again there is a hint of grapeshot in the air.

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EUROPEAN NEWS

Threat of labour conflict grows in Sweden

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

THE RISK of widespread conflict in the Swedish labour market grew yesterday as leaders of the country's blue-collar workers warned that the labour movement would take sympathy actions in support of workers in low-paid sectors unable to push through wage settlements alone.

At the same time in the public sector, where most settlements have been completed, the union representing academic and professional employees has warned that it intends to call 10,000 teachers, prosecutors and other senior civil servants out on strike from next Monday in support chiefly of a pay claim for senior teachers.

The state employment agency replied yesterday with a more far-reaching threat to lock out 23,000 teachers at senior schools and the universities together with a further 1,800 state employees from next Tuesday.

The conflict could still be delayed by some form of mediation, but if it goes ahead it could lead to more than 500,000 pupils and students being without teachers.

So far, this year's wage round has concentrated on the success of the public sector unions and some of the biggest unions operating in the private sector in pushing through wage deals which clearly threatened the Government's economic strategy. This is aiming to reduce Sweden's inflation and maintain the country's competitiveness in foreign markets.

This strategy is vitally dependent on moderate wage settlements. The Government had earlier warned that total labour costs could not be allowed to rise by more than 6 per cent if it was to meet its target of reducing inflation to only 4 per cent by the end of the year.

Mr Olof Palme, the Prime Minister, warned at the weekend that the Government was not giving up its fight against inflation. Economic policy would be tightened if it was shown that inflationary wage settlements threaten economic targets.

The main threats to labour peace are emerging in the lower paid areas, such as retailing and the clothing and textiles industry, where workers are finding it impossible to push through settlements as high as those achieved in sectors such as engineering and building.

Despite a long tradition of centralised wage bargaining in Sweden, the employers have managed to gain negotiations sector by sector this year. Leaders of LO, the blue collar workers' trade union confederation warned yesterday, however, that the more powerful unions would not allow the low paid sectors to be pushed aside.

The first test of strength is likely to come in the retailing sector where wage negotiations have already broken down. Union leaders were meeting last night to consider a call for strike action and sympathy actions from other sectors such as the transport workers.

Ireland will use price controls to curb wages

By Brendan Keenan in Dublin

THE IRISH Government is to use the country's price controls mechanism to try to enforce the seven-month pay freeze this year, despite the lack of success of such methods in the past.

The Government's aim is to bring Irish inflation down from the present 9 per cent to 5 per cent next year. It wants the pay freeze to be followed by increases of less than 5 per cent over the following 12 months.

The Government has already said it will not give public-sector workers a pay rise this year. It now says the Prices Commission, which controls the price of most goods in Ireland, will not allow increases based on pay rises conceded within seven months of the expiry of the last wage agreement.

Union leaders reacted angrily to the plan, describing it as "interference in the process of free collective bargaining." Mr John Carroll, president of the Irish Congress of Trades Unions, said he would recommend withdrawal of union representatives from the Prices Commission if it was used to enforce pay restraint.

EEC seeks united stand on IDA funding

BY JOHN WYLES IN LUXEMBOURG

NINE OUT of ten finance ministers of the European Community agreed yesterday to try to sidestep the U.S. refusal to increase funds available to the International Development Agency for helping the world's poorest nations.

West Germany will continue to ponder its position until the middle of next week, but other ministers stressed the importance of a united EEC position at the next meeting in Washington on April 13 of the International Monetary Fund's development committee.

It is hoped that the Ten will agree to suggestions supported by the IDA for a supplementary funds available for lending in (£2.06bn). This would have the effect of raising the IDA's total available for lendnig in the the Third World from $9bn to $12bn.

The U.S. has agreed to contribute only on the basis of a $9bn funding and, as yet, Japan is said to be reluctant to pay into a special supplementary fund.

Mr Nigel Lawson, Britain's Chancellor of the Exchequer, said yesterday that he and his colleagues hoped that a united Community position—assuming West German support—would have some impact on Japan's approach. EEC ministers considered the ceiling the U.S. is trying to impose as "inadequate and a matter for regret," added Mr Lawson. He doubted whether there would be a change in the U.S. position.

The total value of duty-free goods which travellers may take from one EEC country to another will be raised on July 1 from Ecu 210 (£121) to Ecu 280 (£162). The cigarettes and alcohol allowances, however, will remain unchanged until 1987.

Ministers also agreed to the statement to be made on behalf of the ten at the IMF Interim Committee meeting in Washington on April 12 by M Jacques Delors, the French Finance Minister and current president of the Council of Finance Ministers.

This will not contain any great surprises and M Delors conceded yesterday that there was still no common EEC position in support of his view of the need for a "modest" new issue of special drawing rights.

Two hours of lunch was also devoted to a review of the deadlocked negotiations on the British budget problem. Mr Lawson said afterwards that the "amicable" discussion had revealed general support for the complex system for cutting Britain's payments to the EEC budget which was discussed by by foreign ministers last week.

Insurance group yields to competition rules

BY PAUL CHEESERIGHT IN BRUSSELS

EUROPEAN COMMUNITY competition rules have been formally applied to the insurance sector for the first time. The European Commission has imposed on a consortium of Italian insurers, Nuovo Cegam, a system of independent premium fixing.

After changing its rules to permit each of the 15 companies involved in the consortium to fix its own premium levels, the consortium is being granted a 10-year exemption from the general principle in the Treaty of Rome against companies concerting their activities.

The European Commission, which administers Community competition rules, yesterday announced that it was dropping legal proceedings.

The case is the first of several in the insurance sector on which the Commission will be ruling over the next few months. The pending case nearest to decision concerns fire insurance in West Germany.

Commission officials see freedom to set premiums and freedom of access to the market as the two main obstacles to an open insurance market.

The Italian action, and the others which will follow, are therefore the legal concomitant to the political problem of ensuring open access.

Both the British Government and the Commission have consistently urged the dropping of restrictions which hinder an insurance company from one country starting operations in another within the EEC.

Although the Treaty of Rome provides for companies to establish insurance operations anywhere in the EEC, the application of the general principle has been blurred by the right of governments to settle the conditions for operation. Hence, the struggle in which the UK and the Commission have engaged at the Council of Ministers in recent years.

Commission policy on premiums, as expressed in the Nuovo Cegam case, is that there is no objection to companies sharing technical knowledge on risk-taking, for example, but they must be free to set their own premiums.

Soviets to use more raw gas

By David Buchan, East Europe Correspondent, in London

THE SOVIET Union has decided to use more of its huge gas reserves as feedstock for chemical product exports rather than try to sell additional amounts of raw gas in Western Europe where there is little demand for it, an official has indicated.

Mr Vladimir Filanovsky, head of the oil and gas department at the State Planning Committee (Gosplan), said in a recent Tass interview that the Government was taking the advice of specialists "who suggest that natural gas deliveries abroad should not be expanded."

The implication of Mr Filanovsky's comment was that the Soviet Union had decided not to pursue the idea of building a second trans-Siberian gas pipeline, originally scheduled during the 1986-90 Soviet plan.

The present weak demand in Western Europe has left Moscow with orders of some 28bn cubic metres (bcm) a year

Nuclear plant pact for Czechs and Austrians

VIENNA – Czechoslovakia and Austria have decided to begin implementing cross-border co-operation this year to deal with any future accidents at their nuclear power stations.

The agreement, originally drafted in 1982 in Vienna, will become effective on June 1, the two sides announced at the weekend. The arrangement is the first of its kind between a Communist bloc state and one in West Europe.

The move follows talks last week between Czechoslovak officials and Herr Erwin Lang, Austrian Foreign Minister, in Prague.

Each side will be committed to enforce similar laws at home on radiation safety standards and to exchange information on the development of their nuclear programmes.

It will also expand existing contractual ties between the two countries, Czechoslovak sources said. Austria is heavily dependent on its East European neighbours – Czechoslovakia among them – for fuel and electricity supplies.

The agreement also provides a basis for co-operation to solve or help solve unexpected problems at Czechoslovak and Austrian nuclear installations, the sources said.

The plan to implement the agreement follows allegations by both countries that each is causing pollution problems in the other, and concern in Vienna that Czechoslovak nuclear plants are too close to Austrian territory.

Czechoslovakia will soon have four big nuclear power plants near the Austrian frontier. A 440 MW, Soviet-designed station already operates at Bohunice, 55 km inside Czechoslovakia.

Another is under construction at Dukovany, 35 km from the border, and two more plants close to the border are on the drawing board. Czechoslovakia aims to produce one-third of its electricity needs from nuclear power by 1990.

Austria has only one nuclear power station, at Zwentendorf, 48 km north-west of Vienna.

Reuter

Zimbabwe makes a hard, inevitable economic choice

BY TONY HAWKINS IN HARARE

WHEN Dr Beranrd Chidzero, Zimbabwe's Finance Minister, last week announced sweeping new exchange control measures, including a temporary embargo on the remittance abroad of profits and dividends, he was playing his second last card in the crucial battle to save foreign exchange.

The measures are designed to save Z$240m (£150m) annually. They have been made necessary because of the country's need to spend at least Z$225m on food imports over the next year following the failure of the drought-stricken maize crop.

All but one of Dr Chidzero's foreign exchange raising options have already been exhausted.

● He cannot turn to foreign borrowing for the time being. Public sector debt has increased from Z$400m at the time of independence four years ago, to Z$2.5bn last year. The debt-service ratio has risen from less than 2 per cent of export earnings to more than 26 per cent.

● Import allocations to industry this year are below their *pre-independence* 1979 levels and, in real terms, some 60 per cent lower than their 1981 peak. The savage quota reductions will have far-reaching ramifications for the economy in the form of lower output, employment and even exports.

● The devaluation card was played at the end of 1982 when the Zimbabwe dollar was devalued by 20 per cent and allowed to float down a further 10 per cent later.

Having exhausted these options and also turned to the International Monetary Fund for an 18-month standby credit of SDRs 300m, Dr Chidzero had precious little room for further manoeuvre when in January it became apparent that the maize crop had failed. Zimbabwe will have to import at least 600,000 tonnes of maize and more than 100,000 tonnes of wheat over the next year. This will cost a minimum of Z$225m.

To make matters worse, exports have until recently failed to respond to the devaluation, the reintroduction of an export incentive scheme and the use of a £50m World Bank revolving credit to fund the import requirements of manufacturing exporters.

Recently, there have been some encouraging signs, and foreign earnings from tobacco, cotton, beef, coffee and tea should be higher in 1984. But export earnings expansion is unlikely much to exceed 10 per cent, worth about Z$130m. A trade surplus of around Z$100m would have been likely, but the emergency food imports are expected to push the figures into a Z$125m deficit.

The Minister's measures are designed to save Z$180m this year by temporarily curbing invisible outflows, but with public sector debt-servicing costs estimated at Z$375m there will still be a current account deficit of at least Z$500m.

This would be higher than last year's estimated Z$450m deficit, so that last week's tightening up on invisibles is no solution in itself.

Dr Chidzero's strategy is based on the belief that export promotion policies should increasingly bear fruit over the next two years as world trade regains momentum, while after three successive drought years, agricultural output, especially grain production, should recover strongly in 1985.

Unfortunately, the neat equation of the Z$240m annual savings on invisibles with a roughly equivalent spending on food imports for 1984-85 is being allowed to distract attention from the continuing underlying deficit on the current account.

A prime cause of that imbalance is the yawning budget deficit, estimated this year at Z$717m. It is this Government overspending and underfunding that is the cause of the problem, yet the Minister has been forced to focus his attention on private sector outflows.

It has already been Dr Chidzero's unhappy lot to have to increase substantially tax levels, to the point where last year he plaintively described Zimbabwe as "one of the most highly-taxed countries in the world." Despite these high taxes, however, the budget deficit remains obstinately large.

The explanation lies in excessive levels of recurrent spending on defence (15 per cent of the total budget), education (18 per cent) and domestic debt service (19 per cent). These three absorb more than half total expenditure.

In the first two years of independence real GDP surged an impressive 28 per cent reflecting the end of the war, the lifting of sanctions, lower taxes, higher wages and a superb farming season in 1981. But with the world recession and the first drought in 1982, output started to fall and has since declined to a negative rate of about 5 per cent.

Real living standards in per capita terms last year were back to 1980 levels and a good 15 per cent down on their 1974 peak, while employment which rose 60,000 to 1,045,000 after independence has been falling and by next year will be at least 50,000 below its peak nine years ago. During those years, school-leavers have been flooding onto the labour market at a rate that has now reached 80,000 annually.

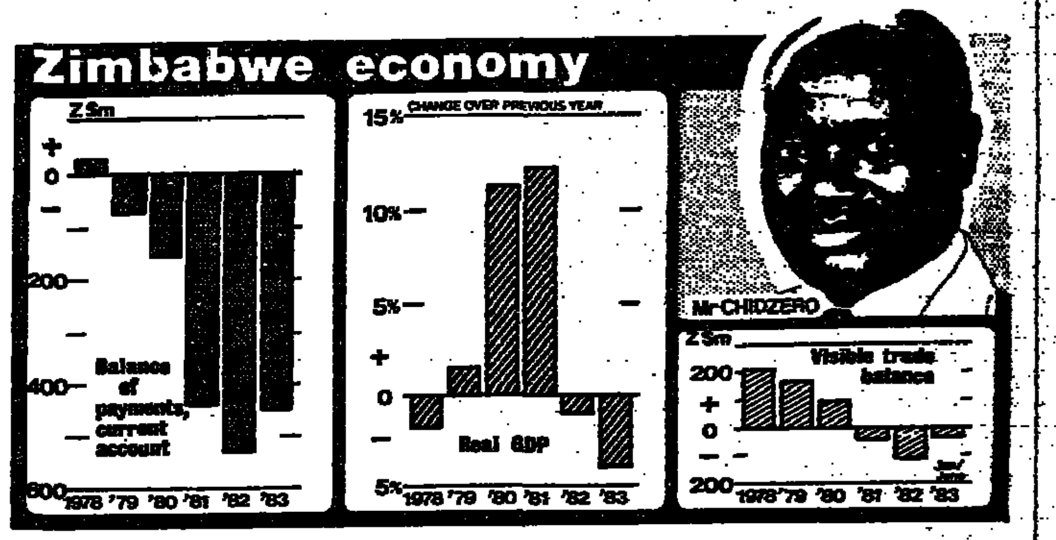
Against this background, the deflationary medicine that Zimbabweans have had to swallow in the past two years, and have still to digest in 1984, has worrisome implications. Mr Robert Mugabe, the Prime Minister, is due to call elections before February next year.

With just debt rescheduling left—a card that he must hope never to use—Dr Chidzero must, over the next few months, tackle what he has called "the intractable problem" of Government spending. But the budget deficit will only be brought under control by grappling with such political sacred cows as free education. This hardly seems a viable option in an election year.

There is also a need to boost investor sentiment at home and abroad; last week's measures must have severely damaged Zimbabwe's investment image. Dr Chidzero insists that the restrictions are temporary and will be lifted as soon as possible.

But by then the damage may well be irreparable, and in an election and party congress year, the anti-capitalist rhetoric of the politicians can be expected to become increasingly strident.

Editorial comment, Page 16



THE ZIMBABWE Government's plans to acquire its citizens' foreign investments, requiring the proceeds to be invested in Government bonds, have been challenged in the supreme court in Johannesburg, Jim Jones writes. Mrs Patricia Mann, a former Zimbabwe citizen now living in South Africa, sought to protect assets said to be worth more than £350,000 held by Grindlay's Nominees, a subsidiary of National and Grindlays Bank in Harare.

The shares, in blue chip South African companies such as Anglo American Gold, Barlow Rand and Gold Fields of South Africa, were bought, Mrs Mann said, before she left the country in 1979. She claimed in an affidavit that on hearing of the Zimbabwe Government's plans she asked for the share certificates and transfer forms to be delivered to her. Grindlays replied that under the new regulations it was unable to comply with her request.

Acting Justice Louis Weyers granted an interim injunction until May 29 preventing 19 South African and four Zimbabwean companies from transferring Mrs Mann's shares.

Swaziland says it has foiled 'gang of four' coup bid

By Jim Jones in Johannesburg

SWAZILAND has announced the foiling of a coup attempt and in a separate incident, the arrest of seven armed members of the African National Congress on the Swaziland/Mozambique border. This comes close on the heels of the belated announcement that Swaziland and South Africa had signed a non-aggression and good neighbourliness pact two years before the recent non-aggression agreement between South Africa and Mozambique.

The coup attempt was revealed in yesterday's edition of the Times of Swaziland which reported that it was organised by an unnamed "gang of four" made up of two cabinet ministers, a member of parliament and a prince of Swaziland's ruling royal family.

The Swazi Prime Minister, Prince Bhekimpi and Supreme Council of State member Prince Mfanasibili are reported to have foiled the plot on March 26, which was aimed at wresting executive power from the ruling monarchy.

Yesterday's announcement of the ANC arrests on the Mozambique border last week may well have been timed to demonstrate good neighbourliness after the weekend announcement that at least agreed to the accord in an exchange of letters two years ago in February 1982. The accord had been kept secret at the request of the Swazis.

The agreement provides for the two countries to combat terrorism and subversion and each can call on the other for help in this. Both agree to respect the other's sovereignty and territorial integrity and will not use force against the other.

India faces greater unrest in North

By John Elliott in New Delhi

THE FOUR most northern states of India face widespread disruption and the risk of violence today as a result of mass strikes and demonstrations called by political parties in protest at the killing yesterday of a leading opposition party leader in the Punjab.

Security was tightened and a curfew imposed in the Punjabi capital of Amritsar and some other areas to curb disturbances that broke out following the killing of Mr Harbans Lal Khanna, a regional leader of the Bharatiya Janata Party. Mr Khanna's armed bodyguard and a customer in his chemist shop were also killed.

This brought the total of killings in the Punjab during the past three days to 13. It was a major blow to the peace hopes of the Government which on Saturday tried to appease Sikh activists by offering to amend the Indian constitution to reinforce their special identity.

It was the second time in six weeks that government attempts to solve problems underlying the Sikh unrest in partnership with moderate Sikh activists has been met by violence organised by extremists.

The shooting of Mr Lal Khanna could have a serious impact on the future course of the troubles. Demonstrations were quickly called by his political party and other groups in the Punjab and in the cities of New Delhi and Chandigarh as well as the neighbouring states of Jammu and Kashmir, Haryana and Himachal Pradesh.

After Mr Khanna was shot and his attackers had escaped with his bodyguard's sten gun, buses and shops were set on fire in Amritsar. Shops closed as the violence spread and a curfew was imposed. One other person was also killed in yesterday's Punjab disturbances and an unsuccessful attempt was made to derail a passenger train.

Howe likely to meet Deng on Hong Kong

BY MARK BAKER IN PEKING

THE GROWING likelihood that Sir Geoffrey Howe, the British Foreign Secretary, will have a personal meeting with Deng Xiaoping, the Chinese leader, when the UK Minister visits China this month has heightened expectations that an important statement on Hong Kong's future will conclude the talks.

Observers both in Peking and Hong Kong increasingly believe that details of a basic agreement between the two countries on the future of the British colony will now be released well in advance of September to enable debate in Britain and Hong Kong before the final signing.

China has set an unofficial September deadline for an agreement on how Britain will relinquish control of Hong Kong in 1997, when its leases over most of the territory run out.

While the formal Hong Kong negotiations will continue after the visit, Sir Geoffrey appears likely to at least make public the timetable for a Sino-British agreement on returning the Colony to China.

Preparations for the visit now indicate that it will mark a key stage in the eight months of secret talks on Hong Kong, now drawing close to conclusion.

Sir Geoffrey will meet with a range of the most senior Chinese leaders and is to give a news conference before flying on to Hong Kong by private aircraft.

British officials have indicated that Sir Geoffrey will be making a significant statement about the course of the talks but add that the substance will depend on the outcome of his meetings with Chinese leaders. They say the meetings will discuss the progress made in the negotiations and "what we do next."

"The course is now clear cut," said one source close to the negotiations. "It is now a matter of how we proceed down the road we have chosen. There are a number of different modes of transport."

Both Chinese and British officials have indicated that the recent negotiating sessions have made particular progress.

Sir Geoffrey's visit from April 15-18, will be the highest-level contact between Britain and China since Mrs Margaret Thatcher, the British Prime Minister, visited Peking in September, 1982 and agreed to begin discussions on Hong Kong's future.

● The surprise announcement last week that Jardine, Matheson and Co., Hong Kong's oldest trading house, would be moving the registration of its holding company to Bermuda has still drawn no public reaction from China.

The announcement, whi[ch] shocked the colony and caus[ed] a significant drop in sha[re] values, has been seen as a fu[r]ther measure of the nervousne[ss] in Hong Kong about the futur[e].

But British officials, whi[le] irritated by Jardines' timing say it will not have a significan[t] effect on the course of the negotiations.

Philippine job losses increase

By Abby Tan in Manila

NEARLY 65,000 Filipinos have lost their jobs in the past four months as a result of the growing impact of foreign exchange shortages, according to the Ministry of Labour and Employment.

Most of the workers who have been laid off were from the manufacturing sector like textiles, food and fabricated metal. These industries have found it almost impossible to finance the import of raw materials since the debt moratorium began last October.

China looks to competition to cut construction costs

BY OUR PEKING CORRESPONDENT

CHINA HAS opened major construction projects throughout the country to competitive bidding in an attempt to cut costs.

Contracts for capital construction will now be decided by tender among different government construction departments and collectively owned building units.

In the past, various government departments and regional authorities have held monopolies over construction projects in their areas and simply designated the work to their own building departments.

The State Planning Commission has authorised the use of public bidding after successfully experimenting with it in Shenzhen and Xiamen special economic zones and in the cities of Chongqing and Jilin.

China has been trying recently to reduce the expense of capital construction programmes and cut back on waste and inefficiency.

China's State Council has ordered that all construction projects must be speeded up and subject to stricter controls this year.

It has backed calls by the State Planning Commission for funds, labour, raw materials and equipment to be concentrated on 123 key projects in progress and another 201 projects due to be started this year. Many of the new projects are in the fields of energy and transportation.

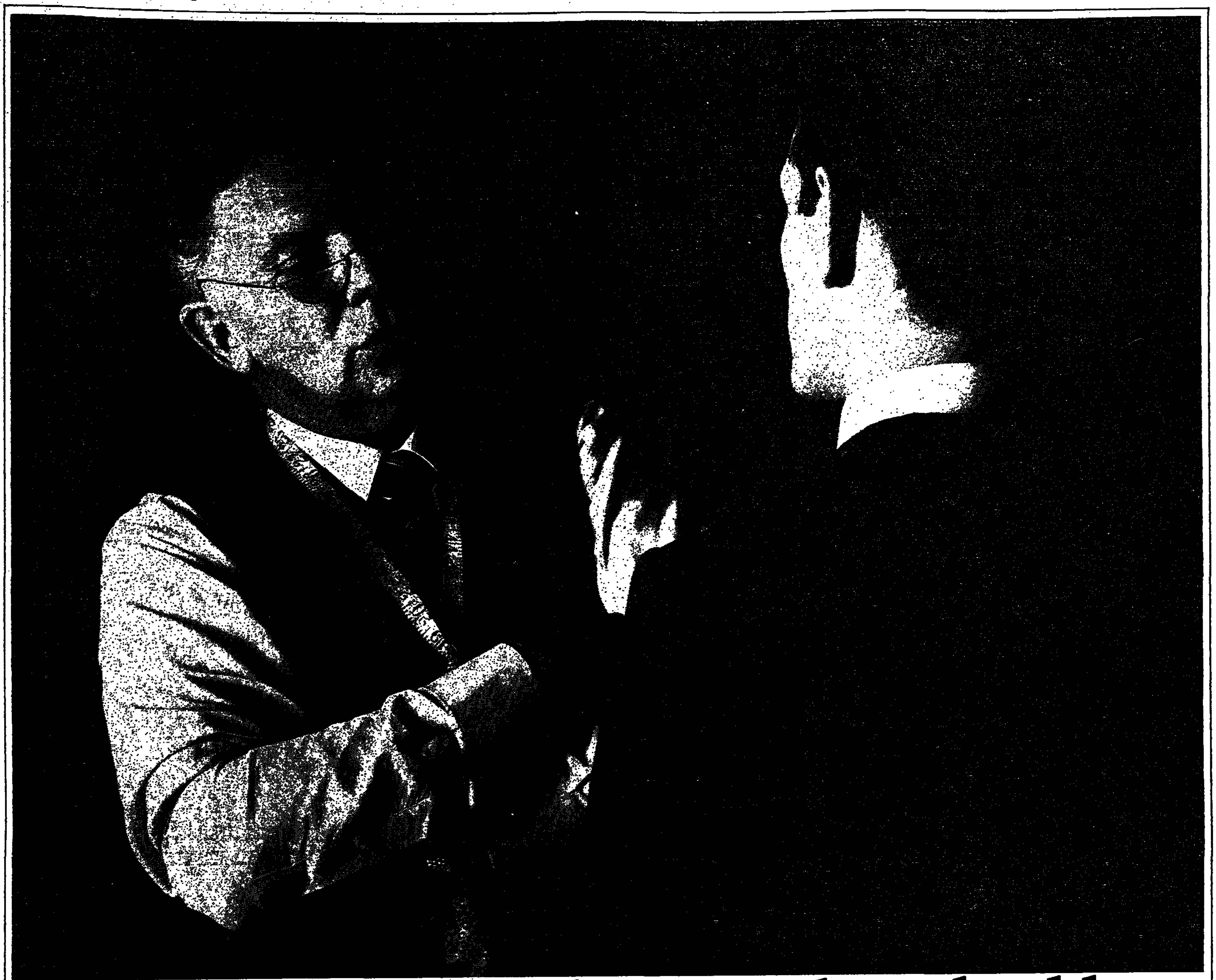
Oil production grows

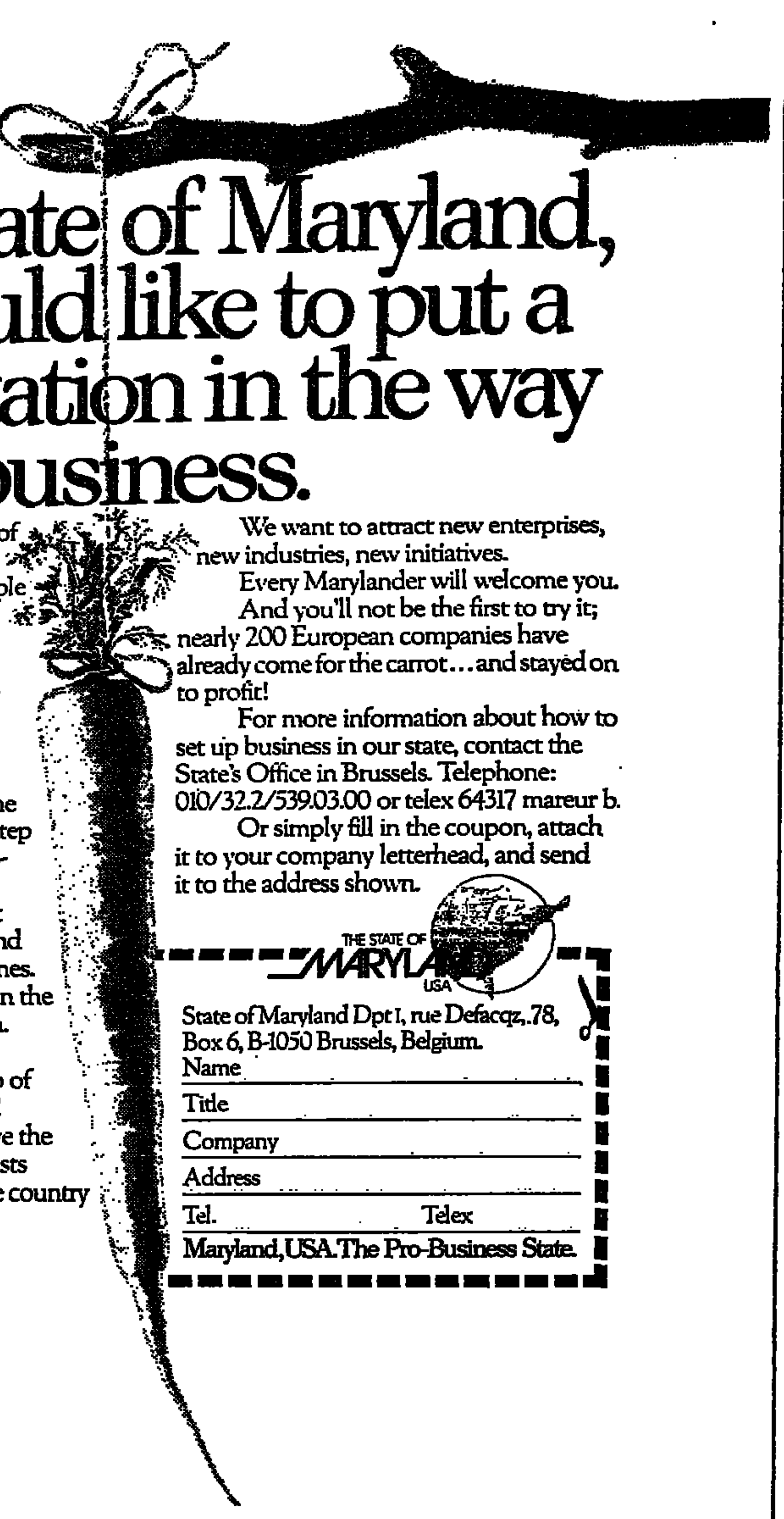
PEKING — Chinese oilfields pumped 205.66m barrels of crude oil from January 1 to March 30, 5.7 per cent more than in the same period last year, the Petroleum Ministry said.

China's national daily crude *output is now* 2.28m barrels, 51,680 more than the previous record high in October, 1979, the Ministry said.

It said China may top the 2.16m b/d target set for this year, which compares with 2.12m in 1983.

Reuter





AMERICAN NEWS

Bolivian Left set to rejoin coalition

BY OUR LA PAZ CORRESPONDENT

PRESIDENT Hernan Siles Zuazo of Bolivia was yesterday reported to be on the brink of success in his bid to tempt the left-wing MIR or Movement of the Revolutionary Left back into his government and into supporting a package of emergency economic measures.

The MIR quit the Government 14 months ago over differences about economic policies, though its leader Sr Jaime Paz Zamora continued in his post of Vice-President. The MIR is understood to be willing to return to the Govenrment in exchange for four ministries in an enlarged cabinet. Since the MIR departure from his 18-month-old government, President Siles has been governing with the help of his own left centre MNRI, the Communists, the Christian Democrats and indpendents.

Senior officials of the MNRI and the MIR emerging from the talks were optimistic however, that the MIR will return to government.

The likelihood of a breakthrough emerged after three days of talks between Sr Paz and President Siles on ways of overcoming the economic crisis and the terms under which the MIR might rejoin the oGvernment.

The president's planned economic package will reflect pressure from the International Monetary Fund to reduce inflation now running at about 350 per cent a year, and to tackle arrears in servicing the country's $4.5bn (£3.1bn) foreign debt. If it is too harsh for the MIR's rank and file to accept, the package could wreck reconstruction of the coalition.

The package is likely to include a doubling of the legal minimum salary, to about Pesos 90,000 (£25) a month, as well as a removal of subsidies on certain basic foods plus a sharp increase in the price of petrol and other fuels.

There was a 24-hour general strike during the weekend by way of warning from the main trades union that the Government should do nothing to reduce further the miserable standard of living of most Bolivians.

Uruguay records trade surplus

By Andrew Whitley in Rio de Janeiro

URUGUAY'S imports last year fell to half their 1981 level, helping it to achieve a trade surplus of $309m (£213m), the first since 1976.

Figures released last week by the central bank in Montevideo showed that in 1983 Uruguay exported goods worth $1.01bn, up 8.2 per cent on 1982. Imports fell by over 36 per cent to US$706m.

The most significant fact behind last year's merchandise trade surplus was a 37 per cent reduction in the country's oil imports. These declined by value from $416m in 1982 to $261m in 1983.

An increase in exports of primary goods—meat, wool, rice and sea food—to $464m compensated for a decline to $550m in so-called non-traditional exports, such as textiles.

Other major declines in imports were recorded by chemical products, down 17 per cent, machines and electrical equipment, down by 42 per cent, and transport vehicles, which registered a 75 per cent fall.

However in the first two months of this year, preliminary figures from the central bank showed a slight decline in exports and an unwelcome 20 per cent jump in imports.

The hsarp improvement in Uruguay's trade balance last year was in line with thetrend observed by the Inter-American Development Bank for the whole of Latin America. A major report released by the IDB last week showed, among other things, that Latin America obtained a trade surplus with the rest of the world of $25.4bn in 1983, three times greater than the previous year.

New Chile Finance Minister

By Mary Helen Spooner in Santiago

SR Carlos Caceres, Chile's Finance Minister, has been removed from his post in a reshuffle of Gen Augusto Pinochet's economic team, the fourth Cabinet change in less than a year.

The new Finance Minister is Sr Luis Escobar, a former Deputy Minister of the Economy, and vice-president of the Hong Kong Shanghai bank branch in Santiago. His appointment does not suggest a major change in the free market economic policies the Pinochet regime has followed since the mid 1970's, but Sr Escobar is expected to follow a more expansionist line than his predecessor, arguing for more state participation in the economy.

Sr Andres Passicot, Economy Minister, has also been removed and is replaced by Sr Modesto Collados, the outgoing Housing Minister, whose portfolio is being taken over in turn by Sr Miguel Angel Poduje. Sr Collados is the former president of Chile's Chamber of Construction, which has pushed for greater access to credit and public financing.

The Cabinet changes come less than a week after a day of protest against the Pinochet regime, organised by opposition trade unions and political parties, and barely a fortnight after Sr Caceres returned from a series of meetings with representatives of Chile's creditor banks in the United States.

IMF industrial output indices confirm recovery

BY STEWART FLEMING IN WASHINGTON

A STRONG 1983 recovery in industrial and manufacturing output showed a particularly marked trend in several leading industrialised countries, according to the International Monetary Fund.

The IMF says that particularly sharp 1983 recoveries took place in the U.S. and Norway, which each recorded rises of 6 per cent. These were the main contributors to last year's 3 per cent rise in the IMF's aggregate index of industrial production of 19 industrial countries to 99 (1980 equals 100). Significant increases were also recorded in Japan, the UK, Denmark and Finland (all up by around 3 per cent).

In contrast, the indexes for West Germany and the Netherlands were unchanged.

Data available for five industrial countries for January of 1984 continues to show a rise, with indices hitting record levels of 111 for Japan and Norway, 107 for the U.S., 104 for the UK and 103 for the Netherlands.

● The IMF executive board has decided there is no need at the moment for a fresh allocation of special drawing rights, a spokesman for the West German finance ministry in Bonn said, Reuter reports

Bermuda plans $8m U.S. bond purchase

BY KEITH HUNT IN BERMUDA

THE Bermuda Government intends to buy $8m worth of U.S. Treasury zero bonds expected to be worth $200m in 28 years' time.

The plan was revealed when Mr David Gibbons, the Finance Minister, announced recently another balanced budget for the island totalling $186.5m for 1984-85.

Mr Gibbons, Bermuda's ex-Prime Minister, said the self-governing colony's next generation would inherit the $200m on the 400th anniversary of permanent settling.

But the move was immediately condemned by the opposition Progressive Labour Party, whose leader Mrs Lois Browne-Evans said the $8m should be used for urgent projects, such as housing.

Government income this year is projected at $186.5m. Spending is expected to be $169.3m, leaving a $17m surplus which the Finance Minister intends to switch to the capital account to balance the books.

Last year's original budget estimate stood at $165.5m.

During his budget speech Mr Gibbons said the Government was considering allowing deposit companies to pay long-term depositors more than the statutory 7 per cent

Texaco withdraws Mukluk plans

ANCHORAGE — Texaco has withdrawn its request for federal Government permission to drill in the Mukluk area of the Beaufort Sea, off Alaska's north slope, Government officials said.

Texaco said the plans were filed while Standard Oil was drilling the Mukluk well, so Texaco could drill a prompt follow-up well if the results of the Mukluk test warranted such action.

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BARCLAYS

FOREIGN EXCHANGE CENTRE

Singapore merchant fined for copyright contempt

BY CHRIS SHERWELL IN SINGAPORE

THE SINGAPORE High Court has imposed a S$2,000 (£665) fine on a local book merchant and ordered him to pay court costs in a book piracy case which will test the legal protection available to British publishers in the island state.

The merchant, Mr Ng Sui Nam, was fined for contempt of court after the High Court had found him in violation of an injunction obtained by the British Publishers Association.

The injunction, first obtained in January, 1982, restrained Mr Ng from infringing the copyright in any works of members of the Association.

Trial of the Publishers Association action, started over two yearsago, is expected to take place later this year. Mr Ng is alleged to have sold in Singapore and abroad unauthorised copies of books on engineering, medicine, accountancy and law.

Although the scale of the problem is smaller than in countries such as South Korea or Taiwan, the association believes that its best hope of establishing protection lies in Singapore, which takes pride in its reputation for upholding the law.

The association believes piracy in Singapore is particularly threatening because the island state is highly efficient and has a small domestic market.

This means that such publishing is typically export-oriented, and could undermine markets as far away as Britain itself, as well as large regional markets.

Our Trade Staff adds: The copyright law under which the main action is brought dates back to 1911. The association points out that Singapore has not acceded to the Berne or the Universal Copyright Conventions.

A formal worldwide campaign against book piracy was launched a year ago, and now has the support of 108 British publishers. The association said it has been encouraged not only by the Singapore injunction, but by several other developments in the Far East.

In Taiwan, one man was found guilty of smuggling and sentenced to one year's imprisonment, suspended for five years.

The case arose from the seizure near Taipei in February, 1983, of a container holding 48,000 copies of pirated British books bound for Nigeria.

While there is no protection for foreign copyright books in Taiwan itself, the export of illegally copied books is prohibited.

In Korea, the Ministry of Foreign Affairs in Seoul has been quoted as saying the Government plans to take positive measures to protect foreign copyright works. Such action is planned to take place by July.

The association points out that it has received considerable support from U.S. officials.

MPs 'want to hit back on unitary tax'

By Our Trade Editor

NEARLY 300 of the 650 British MPs in the House of Commons are seeking legislative retaliation against unitary taxation of multinational companies by a dozen U.S. states, it was claimed yesterday.

Leaders of the retaliatory move are tabling an amendment to the Finance Bill that would allow the Government to deny U.S. companies with headquarters in unitary tax States the right to refunds of advance corporation tax (ACT) on dividends paid to them by their UK trading subsidiaries.

Mr Michael Grylls, chairman of the trade and industry committee of Conservative MPs, was in Washington to broadcast the plan to state legislators and businessmen.

His supporters said the proposed amendment reflected "extreme frustration and growing anger" in the British Parliament at the refusal of the U.S. Administration to take action against unitary tax states.

But British government officials are reluctant to trigger what could be a damaging tax battle with the U.S.

British, Japanese, Canadian and Dutch companies have protested that the system is arbitrary and a big disincentive to investment

Unitary taxation means that the state taxing authorities take a company's worldwide profits into account when assessing the dues of the company's operations within their jurisdiction.

Concern at Nigeria's debt terms

BY QUENTIN PEEL, AFRICA EDITOR

THE NIGERIAN Government is due to publish tomorrow its formal proposal for rescheduling more than $3bn (£2.1bn) in arrears of trade payments owing to uninsured suppliers, in the face of continuing concern among major creditors at the expected terms and conditions.

Go-ahead for the offer has been given following the granting of an exemption by the British Department of Trade, to allow the documents to be issued in the name of the Central Bank of Nigeria, rather than an approved dealer.

The offer amounts to one part of a comprehensive rescheduling exercise, involving banks, export credit agencies and uninsured suppliers, while at the same time the Nigerian Government is negotiating with the International Monetary Fund for a three-year extended credit of some $3bn.

The uninsured creditors are thought to be owed at least $3bn of an estimated $6bn of outstanding trade arrears, the balance having been insured by the export credit agencies.

The broad outlines of the Nigerian offer are known to provide for an issue of six-year promissory notes, with a grace period before repayment of 2½ years, and carrying an interest rate of 1 per cent over the London Interbank Offered Rate (Libor).

However, reservations have been expressed by a large number of the country's creditors both about the structure and the precise terms of the proposal.

The major areas of concern include:

- ● That the notes will be payable to individual suppliers, and not be backed by any overall agreement, thus allowing for discrimination between creditors when they fall due for payment;
- ● That a paying agent should be appointed to act on behalf of the Nigerian central bank, preferably with a "co-ordinating agent" to act for the creditors;
- ● That the proposal will not provide adequate safeguards for creditors, such as cross-default clauses to link the rescheduled payments to the rest of Nigeria's medium-term debt;
- ● That Nigeria is seeking to restrict the marketability of the promissory notes by allowing them to be discounted only by approved banks, and not to be sold outright.

The creditors have also expressed concern at the pricing of the offer.

Creditors will be asked on Wednesday to apply for the formal offer document, and another document to submit details of the money owed. In the U.S., the two documents will be issued separately, in order to comply with Securities and Exchange Commission regulations.

UK mining team to visit Lima

BY A SPECIAL CORRESPONDENT IN LIMA

TWELVE representatives of the Association of British Mining Equipment Companies (ABMEC) will conclude a tour of Latin American countries with a three-day visit to Lima, capital of Peru, on Wednesday, Thursday and Friday of this week.

They will be attending Tecnomin 84, an international mining equipment fair opened on Sunday by President Fernando Belaunde Terry.

The organisers believe the fair is the most important of its kind organised in South America. Exhibitors from all over the world are expected to show exhibits demonstrating the theme "New futures in mining technology."

The ABMEC group will be competing for orders with rivals from the U.S., Canada, Sweden and Japan, as well as Brazil, the only significant manufacturer of mining equipment in the southern continent.

Special concessionary rates on customs duties have been agreed for sales to Peruvian customers negotiated during the fair.

The Peruvian mining industry has been making a slow recovery in recent years, partly on the belief that there is still plenty of gold still to be mined in the country.

Interest at present centres on a ne wgold field containing an estimated 13.7 tonnes of the yellow metal, which will be mined from ore yielding as much as 90 grammes of gold per tonne, extremely rich by world standards.

The field is located at San Antonio de Peru in the Andes, and the state-owned Minero Peru has taken an 11 per cent stake.

EEC copper sulphate 'dumping' check

—BRUSSELS — The European Commission said yesterday it has launched an anti-dumping inquiry into imports of copper sulphate from Bulgaria, Hungary, Poland and Spain.

It also said it has dropped an anti-dumping case concerning imports from Spain of pentaerythritol, a chemical used to make insecticides, after the exporter agreed to raise its prices.

A Commission official said the EEC's Chemical Manufacturers' Association has complained that imports of the copper sulphate rose to 4,846 tonnes in 1983 from 1,812 tonnes in 1982.

The imports captured a market share of 11 per cent compared to 0.7 per cent in 1980, the official claimed.

He also alleged that the importers had "significantly undercut" prices of EEC producers, causing the latter to suffer a drop in production of 37 per cent on an annual basis.

The EEC official said the inquiry into the imports from the four countries is based on a comparison of Spanish domestic prices with the export price, as the three other countries do not have a market economy.

AP

Swiss textile exports reach record high

SWISS textile exports reached a record last year, rising by 3.3 per cent to SwFr2.72bn (£700m), thanks largely to a sharp increase in sales to Germany and the UK as the industry's two leading markets, John Wicks writes from Zurich.

At the same time, however, the Association of Swiss Textile Manufacturers (VSTI) says that profits of most companies were too low to permit the necessary investments.

Peking tightens grip on foreign trade

BY CHRISTIAN TYLER, TRADE EDITOR, RECENTLY IN PEKING

CHINA'S economic planners are tightening their grip on the country's foreign trade in an effort to clear up what they say is the confusion created by the open-door policy of the last five years.

Competition for contracts between provinces and between foreign trade organisations has undermined export price floors and in some cases led to profiteering by foreign buyers, according to the Ministry of Foreign Economic Relations and Trade.

The decision, taken in January and promulgated last month, is clearly designed to reinforce the disciplines of a socialist planned economy.

But officials at both national and provincial level claim that "foreign friends"—as the Chinese call their overseas business contacts—have been begging for the old lines of authority to be re-established.

This apparent reversal of policy is described in Peking as no more than a change of emphasis—a phrase that will be familiar to students of socialist economic management.

Familiar, too, will be the paradoxical rider that the new centralisation will not halt the authorities' encouragement of initiative at regional and local level.

Foreign businessmen will detect only a slight difference, according to Huang Wenjun, the Foreign Trade Ministry's deputy director of policy research, and its official spokesman. They would still be able to negotiate with the same people as before and sign contracts at events like the Canton Fair.

"The honest business will find out that it is more favourable to do business with Chinese corporations, he said. "In the past, many traders tried by hook or by crook to get a profit that interfered with the market, for example, by getting commodities at lower prices.

"The country has suffered a loss through lack of unified action and some foreign businessmen have lacked confidence because of the competition between Chinese corporations.

"Our foreign trade has been in disorder because we had too many outlets for dealing with external economic activities," he added.

Prominence has been given in the Chinese press recently to bureaucratic bungling and financial losses in some foreign trade organisations, which may have stiffened the authorities' resolve to intervene.

But Huang said corruption of officials was "quite rare." So-called economic crimes were, as he put it, "another pair of shoes."

The Ministry will henceforward insist on its sole responsibility for planning, regulation, export licensing and the approval of all joint ventures, mergers and liquidations in China or of Chinese operations abroad.

The national foreign trade corporations will extend their supervision over their provincial arms, handling contracts in major commodities like crude oil, grain, coal and cotton.

> ❛ Officials claim that foreign friends—as the Chinese call their overseas business contacts—have been begging for the old lines of authority to be re-established ❜

Their regional branches will continue to be responsible for delivery and settlement. As before, they will be able to make contracts for less strategic goods such as garments, tableware and the like, but not to bid against each other on price.

At the same time, Huang said, export industries would be rationalised at regional level, with unsuccessful lines closed down and new designs introduced — for example, in porcelain and other traditional crafts aimed at the U.S. and West European markets.

Further regional specialisation is implied. For instance, Shandong Province, a major exporter of goods as diverse as crochet-work and peanuts, expects to become virtually sole export supplier of these two products.

Yu Ziping, director of Shandong's foreign trade bureau, said the announcement was good news for his province, even though he admitted there would be losses as well as gains.

"In the past, we got some letters from foreign friends claiming that because of decentralisation, business activities were more difficult," he said.

That sentiment was echoed by a visiting Swedish businessman with long-standing trade connections in China who mourned the days when business could be done on sole interview.

The new policy appears to apply mainly to the export half of China's foreign trade, worth an estimated 88bn yuan (£31bn) in imports and exports last year.

The same strictures will be applied to the management of contracts in primary imports such as grain, timber, fertilisers, sugar and major consumer goods like TVs.

But again provincial offices will be able to retain some of their foreign exchange earnings for the purchase of machinery, spare parts and other inputs necessary for the running of local enterprises.

Likewise, direct foreign investment, especially where major technology transfer is in prospect, will be a matter for high-level negotiation.

China's foreign trade policy, in short, remains somewhat ambiguous. The need for foreign expertise and foreign exchange persuaded the present leadership to experiment with decentralisation and adopt some quasi-capitalist incentive techniques.

But last month's announcement is a reminder that even if the door is being held open, Peking is determined to keep a firm grip on the doorhandle.

COMPANY NOTICES

F. & C. ORIENTAL FUND S.A.

Société Anonyme

Registered Office Luxembourg, 14, rue Aldringen. Commercial Register: Luxembourg Section B 18855

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

[illegible]

In order to take part at the statutory meeting of April 19th, 1984, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following banks:

—Banque Générale du Luxembourg S.A.
14 rue Aldringen, Luxembourg.
—Williams & Glyn's Bank Ltd.,
67, Lombard Street, London EC3P 3DL.

THE BOARD OF DIRECTORS

F. & C. ATLANTIC FUND S.A.

Société Anonyme

Registered Office Luxembourg, 14, rue Aldringen. Commercial Register: Luxembourg Section B 8.198

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

[illegible]

—Banque Générale du Luxembourg S.A.
14 rue Aldringen, Luxembourg.
—Williams & Glyn's Bank Ltd.,
67, Lombard Street, London EC3P 3DL.

THE BOARD OF DIRECTORS

VINTOIL S.A. - SOCIETE ANONYME

LUXEMBOURG, 37, RUE NOTRE DAME
R.C. LUXEMBOURG B 18.064

RIGHTS ISSUE

[illegible]

Completed provisional allotment letters, together with relevant payment in U.S. dollars, must be lodged with the paying agent not later than the closing date, namely, May 2nd. The new ordinary shares are payable in full on May 2nd (closing date).

Rights will be negotiated on the Luxembourg Stock Exchange from April 2nd to ... Rights not exercised after May 2nd will be sold by public auction on May 8th. Rights not sold will be materialised ... be exercised from May 8th to May 11th.

Full particulars of the Rights Issue and information concerning the company may be obtained at the offices of Vintoil S.A., 37, Rue Notre-Dame, Luxembourg ... in Bristol, Suite 285, King William House, 13 ... of the paying agent.

A legal notice and the articles of incorporation have been deposited with the Chief Registrar of the District Court of Luxembourg where copies thereof may be obtained.

The new ordinary shares to be issued pursuant to the Rights Issue will, when fully paid, rank pari passu with the existing shares.

VINTOIL S.A.
THE BOARD OF DIRECTORS

MASSEY-FERGUSON NEDERLAND N.V.

[illegible]

PIONEER ELECTRONIC CORPORATION

NOTICE IS HEREBY GIVEN to holders of CDRs issued by Caribbean Depositary Co., N.V., Curacao, evidencing shares in the above company that the "First quarter report 1984" of Pioneer Electronic Corporation may be obtained from:

Pierson, Heldring & Pierson N.V.
Herengracht 214,
Amsterdam

and

The Bank of Tokyo Ltd.,
established in: Tokyo, Bruxelles, London, Dusseldorf, Paris and New York.

PIERSON, HELDRING & PIERSON N.V.

Amsterdam,
February 22, 1984.

NOTICE OF MEETING TIME ASSURANCE SOCIETY

Registered Office:
45 Queens Road, Oldham
Greater Manchester

ANNUAL GENERAL MEETING of the above Society will be held at the Registered Office, on Wednesday, 18th April 1984 at 12 noon.

AGENDA

1. a) To elect a Chairman.
   b) To elect a member for the Committee of Management.
   (Nominations must be sent in writing to the Registered Office to be received there at least two days before the date of the Meeting.)
2. To receive the Report of the Committee of Management and the Accounts for the year ended December 31st, 1983.
3. To accept the Report and Recommendations contained in the Actuarial Valuation of Funds as at December 31st, 1983.

DAVIES & METCALFE P.L.C.

NOTICE IS HEREBY GIVEN that the Transfer Books of the company will be CLOSED from 17th April 1984 to 19th April 1984 both dates inclusive.

By Order of the Board.

R. ALLEN,
Secretary.

Injector Works,
Romiley,
Cheshire.

GOVERNMENT OF NORTHERN IRELAND 7% EXCHEQUER STOCK 1982/84

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TECHNOLOGY

EDITED BY ALAN CANE

SCIENTISTS TO START TRIALS IN COMBATING DISEASE

Hopes for laser healing power

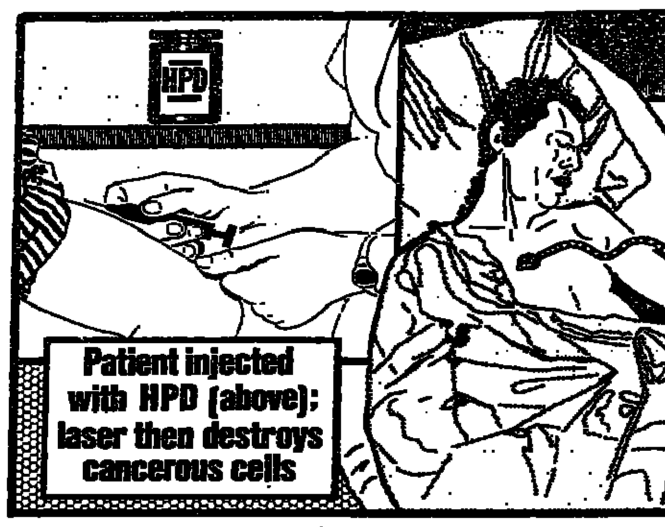
BY PETER MARSH

TRIALS with a new form of laser may usher in a new and effective way of treating certain cancers. The work, due to begin in May, involves a team of physicists formerly at Oxford University and medical staff at the Royal Southants Hospital, Southampton.

In the trials, patients will be treated with red light from a particularly powerful source, a gold-vapour laser. Oxford Lasers, a company started by workers at the Clarendon Laboratory of Oxford University, is one of a handful of organisations around the world to sell the hardware.

The laser will be used in photoradiation therapy—a treatment for cancer with which hospitals have experimented since the late 1970s. But application of the treatment, which kills cancerous cells while leaving healthy tissue unscathed, has been impeded by the lack of lasers that produce light of the correct wavelength at a high enough power.

Mr John Carruth, a surgeon at the Royal Southants Hospital, plans to use a 9W gold-vapour laser to treat a variety of tumours. Mr Carruth says that results from an earlier trial, using a dye laser that produced only 1W, were "exciting and encouraging." In the trial, Mr Carruth treated patients with tumours of the brain, lung and bladder.



Patient injected with HPD (above): laser then destroys cancerous cells

To treat patients in this initial work often took several hours. The tumours had to be irradiated for long periods to transfer to them enough photons to complete the treatment.

With the new laser, says Mr Carruth, times for treatment can be cut by a factor of 10. In many cases, this will make the therapy more bearable for the patient. To treat cancers inside the body, in the intestine for example, the laser light has to be "piped" by optical fibre to the site of the tumour, which can mean long spells of discomfort in the operating theatre.

If the trials with the new laser are successful, photoradiation therapy with gold-vapour hardware could become routine in hospitals in a few years, according to Mr Carruth.

If the trials are successful photoradiation could become routine

In photoradiation therapy, the patient is first injected with a drug, haematoporphyrin derivative. After about three days, this has infused through the veins. But it remains lodged only in cancerous tissue.

When illuminated by red light (of wavelength around 600 nanometres) the drug decomposes to produce chemicals that kill surrounding cells. The therapy thus destroys malignant tissue, while leaving healthy cells untouched.

Oxford Lasers is one of only three organisations that make gold-vapour lasers, according to the company. The others are Plasma Kinetics of California and Quentron in Adelaide, Australia.

The hardware can be operated reasonably economically at high powers because of its relatively high efficiency. A 9W gold-vapour laser, which costs some £30,000, needs about 5 kW of electricity. In contrast, a dye laser of comparable output requires, at the very least, twice as much electrical power.

Gold-vapour devices belong to the same family as copper-vapour lasers. In both types, electricity is squirted through a tube which contains a gold or copper wire. The interior of the tube is at a high temperature, of up to 1,600° C in the case of the copper hardware.

Both types of laser require relatively little energy to lift atoms from a low energy state to an excited level—which explains why the lasers offer high efficiencies. Copper-vapour lasers have a better performance than the gold devices. They produce, says Oxford Lasers, the highest average power in the visible range than any other lasers that are commercially available. The copper devices can produce 25 W with an electrical input of only 3.5 kW.

Once they have been "pumped" to the excited state, the atoms fall in energy to an intermediate level, in the process releasing radiation in the form of laser light. Both copper and gold lasers produce light of a wavelength around 600 nm.

Oxford Lasers sees a range of applications for its copper-vapour lasers which, in their basic 10 W form, sell for about £20,000. The company has sold 15 of these systems, mainly to the UK Atomic Energy Authority for experiments in enriching the uranium fuel for nuclear power stations.

The Oxford company also plans to sell the hardware to customers who require powerful laser beams for displays, but who do not want vast electricity bills.

Oxford Lasers started life as a classic spin-off from a university activity — it was originally based in a garage. Alan Corney, an Oxford physicist who owned the garage, persuaded other colleagues to join him and two years ago the company moved to purpose-built premises. Over the past year, the enterprise has sold lasers worth £750,000, a threefold improvement on the figure for the previous 12 months.

The company has also obtained £180,000 from the Wolfson Foundation to increase the power of its copper-vapour lasers to 100 kW. The foundation is also helping out with the costs of the cancer trials at the Southampton hospital.

Oxford Lasers's other products include excimer lasers—which produce very high powers in short pulses—and hardware that purifies the gases used in gas lasers. A big customer for the second type of product is the Ministry of Defence.

No fewer than six people from the Clarendon Laboratory are directors of Oxford Lasers. Besides Dr Corney, they are Dr Andrew Kearsley, Dr Colin Webb, Dr John Deech, Dr Tony Andrews and Mr Keith Errey.

Photographic lessons for video industry

Video & Film

BY JOHN CHITTOCK

IF PRIZES for valour were ever awarded in the video industry, Philips last week scooped the honours in announcing its intention to market the rival VHS video format in UK this year. In facing up to the reality of the supremacy of VHS in nearly all markets of the world, Philips displayed a remarkable spirit of frankness—unlike the secrecy of the late 1970s when their V2000 system was rumoured to exist but denied by innocent-faced executives.

In the video industry, the reasons for consumer resistance to the sophisticated V2000 are well known, summed up by Philips' UK video marketing director Derek Hazell as "we offered a little too much a little too late."

There is, however, irony about last week's announcement by Philips. It intends to continue to market its own V2000 system because — with some justification — Philips regards it as "the Rolls-Royce" of video. And when the history of consumer video is written, it may be that the problems of marketing a Rolls-Royce to the undiscerning public will emerge as one of the causes of financial disaster. One of the very first consumer videotape systems, sold in the U.S. by Avco Embassy under the name Cartrivision, failed because it was combined with a TV set in a colonial-style cabinet priced for lawyers and oilfield owners.

Perhaps marketing men should take more notice of history, because there are many parallels to draw upon. The photographic industry, now seriously challenged by video, has travelled up and down the quality switchback—first as a medium for the amateur gentleman with time and money to spare (every plate sensitised in a portable darkroom by the user); later as a mass consumer product where simplicity rather than quality was the attraction (Kodak's slogan of the 1890s—"you press the button, we do the rest"). Then back to quality again with the arrival of reflex cameras such as the Rolleiflex, and innovations such as the 35 mm Leica.

Yet even 35 mm, now the preferred format for professionals and amateurs alike, was once regarded as inferior—even as late as the 1960s. It has since become respectable and capable of most tasks set before it. None the less, larger format cameras such as the Hasselblad—now well over £1,500 for a basic outfit — have demonstrated that a market can exist for superior quality imaging equipment, however expensive.

The success of the Hasselblad has been predicated, however, on the recognition by potential users of the differences which prevail as the law of diminishing returns operates on pricing. An example of how discriminating the photographer has become is provided by a recent Hasselblad touring presentation called "Three Hours to Better Photography." Nearly 1,500 people in the UK have paid £7.50 a head to watch a remarkable slide show about the really finer points of photography.

Still photography has pursued a relentless course to improve picture quality

Consumer video, regrettably, is characterised by fuzzy definition and generally an abundance of picture faults. Until now, not only has the consumer not cared, but probably not noticed anyway. Hence, perhaps, the poignancy of Mr Hazell's remark "too much, too late." The VHS format was ready before V2000, with very adequate picture quality and—unlike the V2000—simplicity of operation. It was the video industry's answer to "you press the button and we do the rest."

No doubt the Hasselblad or even a modern 35 mm single lens reflex camera would have failed in the 1890s—too complicated to operate, too expensive, and too refined in technical sophistication to be appreciated by a public largely unaware of photography.

Consumer video is now, however, approaching the crossroads. When making the announcements last week, Philips predicted that annual sales of VCRs in the UK would now begin to level out. This must mean that the public will pause to catch its breath—and maybe learn more about the finer points of video, demanding better picture quality; even, perhaps, being ready to pay for it.

Still photography has pursued a relentless course in striving to improve picture quality. One example of this is Kodak's remarkable emulsions using the new T-grain technology (faster speed with finer grain and greater sharpness—usually three incompatible qualities). The Kodak disc camera, for all its apparent simplicity, is a response to a careful evaluation of how the average snapshotter was failing to get good pictures—and the disc camera is cunningly designed to minimise the incidence of these commoner faults.

The video industry would do well to consider this evolution of still photography. The next generation of VCRs must offer benefits for the discerning consumer, not with the adornments of so-called "bells and whistles" but through making real strides in picture quality. Another lesson lurks, perhaps, in the relative failure of instant photography—the picture quality just has not been good enough.

In video, and electronics generally, the Japanese have demonstrated a remarkable flair for gauging consumer needs—whereas the West has shown itself sometimes to be just too clever; too preoccupied with the product instead of the customer. The magic of Japanese technology is not in its achievement, but its relevance.

Philips has shown that it can get the technology right, and ironically might do better now by following instead of trying to lead. The time may be premature for a Hasselblad equivalent of the VCR. But if consumer video is to broadcast TV what 35 mm photography was to 6 x 6 cm in the 1960s, there is scope for Europe to learn from the failures of its photographic industry.

Design

Joint agreement

CALMA and CAE International, two companies within General Electric (U.S.) which have so far operated more or less independently in the computer aided design and engineering areas, are now to operate jointly to develop and market a new CAE/CAD system for mechnical product design.

Basically, the databases of Calma's design, draughting and manufacturing system (DDM) and CAE International's mechanical modelling and ananlysis ystem will be coupled.

As a result, engineers will have "unmatched functional capabilities" for conceptual design, simulation, detailing and manufacturing of complex mechanical products.

Telecomms

Voice and data

DATABIT of Northampton is supplying British Telecom with a unit that provides two telephone circuits on a conventional two wire subscriber line, plus data transmission.

Unlike conventional analogue carrier frequency-based systems for this purpose, the digital "1+1" unit transmits the second telephone circuit in digital form. The technology the company is using is similar to that required for fully digital subscriber lines and could be the forerunner of the fully integrated service digital network (ISDN) says the company.

BT initially will use it to provide a second voice channel on a cable pair where analogue 1+1 might suffer interference in a local digital environment. More on 0604 65231.

Cable television plans 'run risk of failure'

BY GUY DE JONQUIERES

MULTI-CHANNEL cable television is in danger of being a commercial failure in Western Europe unless government policies are radically changed, according to a report by CIT Research, an independent UK market research company.

The report warns that most new cable systems planned under existing policies will lose money or be only marginally profitable – if they ever begin operating at all – and will find it difficult to attract subscribers quickly.

At best, only 20 per cent of UK households would be linked to cable in 10 years' time. That compares with a forecast of 36 per cent which CIT made in late 1982 in a report commissioned by the British Government and several prospective cable operators.

The number of British households linked to cable television has already fallen to 1.3m, from 1.6m in 1980, as loss-making, older systems have closed. Without more commercial incentives to build new networks, the total number of subscribers could fall still further by 1990.

The report says that most European governments are jeopardising the growth of cable by insisting on systems which are too costly and technically ambitious; by ignoring the need for high-quality programming; and by shackling the industry with excessive financial and legal restrictions.

CIT is gloomy about the prospects for attracting private investment in cable in the UK unless the Government gives prospective operators much more control over the design and construction of their systems and allows them to accept programme sponsorship.

The phasing out of 100 per cent first-year capital allowances, announced in the last budget, was also a setback. Only cable systems laid by British Telecom in its own ducts stood a chance of being profitable, unless the Government changed its policy to allow cable to be laid above ground.

The Government plans to issue 11 interim cable franchises soon, and to award more after the cable television Bill becomes law later this year. Although it wants cable to be wholly privately-financed, it is insisting on certain technical criteria for planned systems.

According to another study, published by the Broadcasting Research Unit yesterday, cable television, direct broadcasting by satellite and home video recording will be unlikely to have much impact on the BBC and independent television for at least a decade.

The study, "Beyond Broadcasting: into the Cable Age" by Dr Timothy Hollins, forecasts that by 1994 the three competing media will have deprived the BBC and commercial broadcasters of a maximum 15–16 per cent share of prime time audiences.

Some ITV companies could lose up to 23 per cent of their revenues. But Dr Hollins suggests that the actual loss may be far lower, and is confident that the BBC can continue to justify its claim for a national licence fee for the next decade.

Rail union instructs members not to move coal

BY OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Railwaymen (NUR) last night instructed its members not to move any coal or coke during the miners' dispute. The executive of Aslef, the train drivers' union, has also decided to block coal movements.

Rail traffic is vital to the transport of coal supplies to the 100 power stations of the Central Electricity Generating Board (CEGB). Coal makes up about 80 per cent of power stations' fuel and, of that coal, about three quarters is moved by rail.

Mr Peter Walker, the Energy Secretary, told the House of Commons yesterday that coal stocks at power stations were certainly likely to last about six months.

The National Union of Mineworkers (NUM) claimed, however, that at one important power station, Didcot in Oxfordshire, there was only eight weeks' supply and that this was typical of all power stations.

A spokesman for the CEGB said the board would not issue reports about specific stocks and would not comment on the situation at Didcot.

"Coal stocks at power stations remain high," he said. "They have not run down faster than anticipated and we are confident we can maintain supplies of electricity for several months."

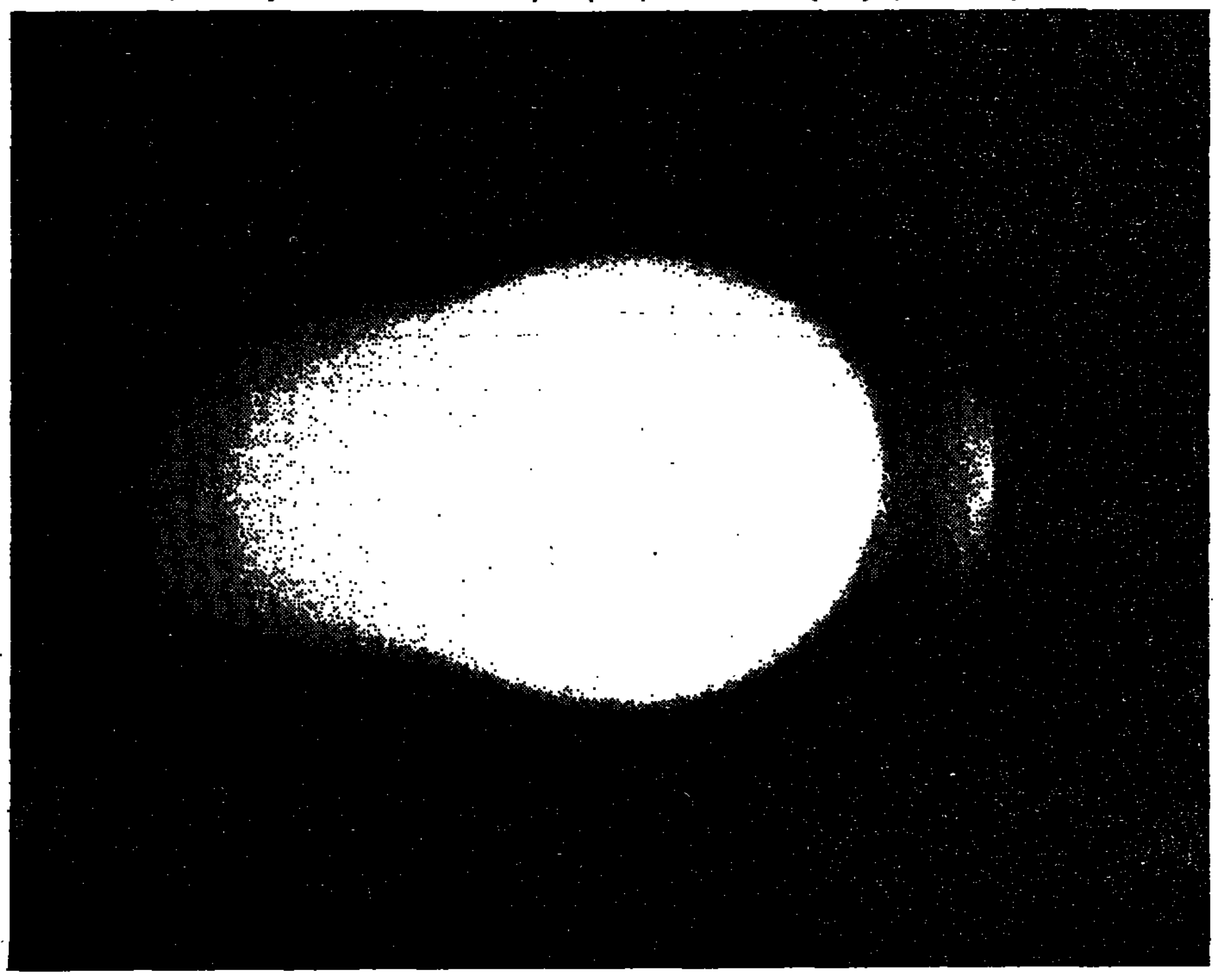
If the NUR and Aslef are successful in persuading their members not to move coal trains, there could be serious financial consequences for British Rail (BR), at least in the short term. Coal and coke constitute about 60 per cent of BR's freight train traffic. However, coal and coke only provide 47 per cent of the freight receipts.

BR is waiting to see what action union members take before deciding whether to seek a court injunction to prevent unlawful secondary industrial action. Only a handful of train drivers refused to move coal yesterday and there were reports of Aslef branches viewing the union's call not as an instruction but as a matter for individual decision.

Coal shortages due to the strike yesterday caused redundancies to be announced at British Steel's works at Scunthorpe, Lincolnshire. More than 150 workers will be made redundant or laid off. The works, which obtains most of its coal from South Yorkshire pits, has had to cut production by 65 per cent.

There were signs yesterday of a return to work by some miners. All 25 collieries in the Nottinghamshire coalfield were working normally and another 15 were producing in the Midlands and western areas.

According to Scotland Yard, 12 more pickets were arrested yesterday bringing the total to 540



Reuters profit jumps 50% to £55.2m pre-tax

BY CHARLES BATCHELOR

REUTERS, the international news agency and business information group, yesterday set the stage for next month's planned public flotation with the announcement of a 50 per cent rise in 1983 pre-tax profits.

Unaudited preliminary results show that profit rose to £55.25m in the year to December, from £36.73m in 1982. Reuters plans to pay a final dividend of £40, making a total of £80 for the year, compared with £60 in 1982.

Turnover rose 35 per cent to £42.6m from £179.9m, with the result that pre-tax profits rose to 23 per cent of sales, compared with 20 per cent the year before.

Stockbroking analysts said these figures would provide a sound basis for the proposed simultaneous flotation of Reuters in London and New York.

They had been forecasting profits in the £50m to £62.5m range Mr Nigel Judah, finance director of Reuters, said: "I think an increase in profit of 50 per cent shows that the company is very healthy indeed. It is a very satisfactory result."

Lex, Page 18

Retail sales recover

SPENDING in shops rose sharply in February, according to revised estimates from the Department of Trade and Industry. Figures suggest that the volume of retail sales recovered after a depressed January, with a 1½ per cent increase. This is significantly better than the provisional estimate published last month.

Separate figures from the department show that the rise in spending continues to be financed to a large extent by credit.

New consumer credit advanced by finance houses and other specialist companies was a record £1.01bn in February. In the three months to February, £2.96bn of new credit was advanced, 8½ per cent more than in the previous three months.

● **COMPAQ** Computer of the U.S. has started operations in the UK. It is offering, through dealers, personal computers at a minimum price of £1,795, but has no plans to manufacture in Britain.

The company had a turnover of more than $111m (£78m) in 1983, its first year of operation. It has an annual production rate of 100,000 computers which is rising rapidly.

● **THE STOCK EXCHANGE** held up the launch of philatelist Stanley Gibbons on the Unlisted Securities Market while it investigated the former business activities of its chairman.

This was prompted by comments in newspapers about the business affairs of Mr Clive Feigenbaum outside those of Stanley Gibbons. He became chairman of Gibbons in January.

● **B. ELLIOTT**, the loss-making machine tool and merchanting group, is closing two of its four UK factories with the loss of 150 jobs. It said it could no longer support the losses of the four factories that formed the Butler and Newall machine tool subsidiary.

● **GENERAL** Electric Company is to double its production capacity for optical fibres, the hair-thin strands of glass which carry communications in the form of light pulses. The investment, which will cost £1m, will raise capacity from under 20,000 km a year to 50,000 km.

● **A FURTHER** attempt is being made to market Romanian-made vehicles in the UK. Dacia Concessionaires has bought the assets of the Dacia Car Company which failed in June last year. The new company will import commercial vehicles.

● **PLESSEY'S** telecommunications division plans to cut more than 800 jobs at its plant at Edge Lane, Liverpool, by the middle of next year as it switches production from older mechanical telephone exchanges to the fully-electronic System X.

This follows the company's decision last January to reduce by 840 the number of jobs at two other telecommunications factories in Lamberhead, Wigan, and South Shields, near Newcastle-upon-Tyne. The Lamberhead plant is due to close next month.

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THE ARTS

London Galleries/William Packer

Survivors in private and public view

Leon Kossoff: Recent paintings. Fischer Fine Art. Ends April 27.
Leon Kossoff: Drawings and etchings. Bernard Jacobson. Ends April 27.
Gilbert and George: The Believing World. Anthony d'Offay. Ends May 4.

The habit of competition dies very hard, and we are still perhaps too inclined to see everything in the simple terms of winner and also-ran: which is all very well for the lucky *ones, but wasteful* and unfair overall. Life is unfair, of course, and we can learn to accept the condition; but the wastefulness is thoughtless, unnecessary and, with a certain generosity of vision, easy enough to moderate.

With artists the problem takes a particular form for, by the very nature of their activity, groups come easily together, and shared preoccupations, interests and principles are readily confirmed by the chances of education, friendship, natural sympathy and talent.

And of course the best will out, or so we hope; but good artists, even so, are likely to be singled out in the first *instance quite* as much by luck as talent, by a dealer's arbitrary preference perhaps, and a hole in his schedule, a critic's visit at a happy moment, a curator's early purchase, a selector's vote. The danger is always that mere notice be taken for deserved pre-eminence, the pious hope running way before confirmed performance. Here, we say, is the one, and the rest are nowhere.

Such is the luck of the draw, which artists generally accept with a decent fatalism—for they can do little about it. And between themselves they ignore it, knowing as they do far better than any others their true relative standing, and the particular *differences* and distinctions in their work.

Leon Kossoff is now in his late 50s, and for at least 20 years has been demonstrably one of our most consistent and distinguished painters, so much so indeed that but for a coincidence of careers it would hardly need saying. But as a student under David Bomberg at the turn of the 1950s, his contemporary was Frank Auerbach, *who has* remained a friend and close associate. And Auerbach's has been the career to prosper. He too is a wonderful painter, and I mention him now not at all to his detriment, but simply to make the point.

For close in sympathy though their work has always been, and their methods and practice superficially so similar, it has never been the case that the one was mere second best, acolyte as it were, to the other. Kossoff is as he has always been, entirely his own man and always quite distinct in his work. That he is not better known than he is, in both domestic and international terms, is the fault of others, not himself.

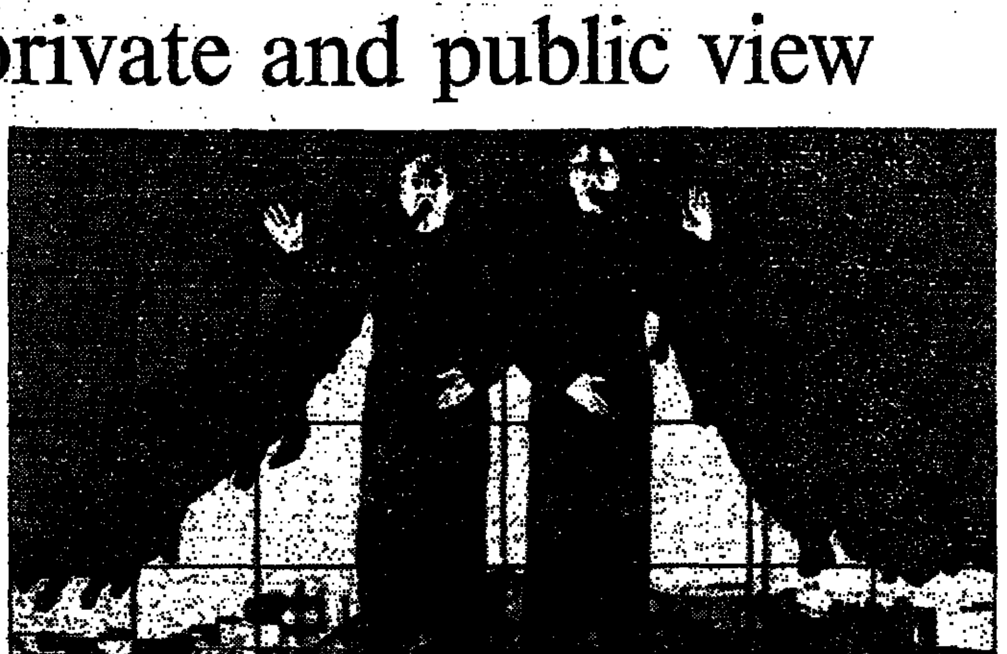
At a time when figurative expressionism is the last word in international critical fashion, and young painters of great ambition but less talent make prodigious fortunes, it would have been good to celebrate, at some such festival as the Venice Biennale in 1982, the serious and sustained achievement of 30 years. But the moment passed and the chance was lost—it would not have been too late this year. We can see the demonstration, and perhaps take the rebuke, in the show of Kossoff's recent paintings, the first for five years, at Fischer Fine Art, and of drawings and etchings at Bernard Jacobson.

He finds his subjects close to home: the domestic conversation piece; portrait studies of family, friends, himself; the life model in the studio; studies after the masters, Rembrandt in particular; the urban landscape of north west London, Kilburn Station, a Willesden street, a local Victorian school pile as it were a Gothic castle against the dark sky.

His palette is close-toned and curiously bleached, buff, brown, grey, ochre, naples yellow and pale, dull green. The paint is thick and clotted, the surface worked and reworked until the mark of the brush as it is laid on matches in its simplicity and physical presence the painter's intended statement. The exercise is in truth not so much to appearance as to physical sensation, presence, experience, the achieved image not so much a representation as an imaginative yet very real, palpable equivalent.

With the drawings the process goes oddly into reverse to achieve the same pictorial authority and independence, the process not cumulative but reductive, the image worn down as it is restated, and obliterated, and laid on again with that *last swift, sometimes almost* throw away decision. Yet what remains is certain and convincing, invested with an imaginative grandeur and scope quite beyond its actual scale.

We look at these paintings not for what they represent, but for what they are. And it is one of the mysteries of true art that only then do we move into the artist's own imaginative world, only then do his preoccupations, interests, vision, become our own. Looking at paintings should always be a very physical, literally sensational business.



'Speakers' with Gilbert and George: cool radical cheek

Gilbert and George are sensational in the more usual sense, and indeed in the 15 years or so of their collaborative career have won an international reputation matched in modern times by a mere handful of British artists. Quite why this should be so is a large question, but one which their recent critical *succes fou* in America and now "The Believing World," their latest show at *Anthony d'Offay, begin to hint* an answer. For theirs has been above all a museum and institutional reputation, their present standing a curious kind of curatorial achievement.

They put themselves at the centre of their work, made of their life in art both subject and material: and in making thus quite literally an exhibi*tion of themselves, they* hit upon a form that was attractive, apparently controversial, infinitely renewable, and a ready package in itself. Ring the changes with a decent professionalism and the world is yours.

And the curators of the world's museums have been largely persuaded by their cool radical cheek, by their multi-panelled photo-motagery, so beautifully, immaculately presented, that nods with ever light shift of the iconographical wind, now towards scatological graffiti, now to skinheads, punks, beautiful youths, to religion, war, Royalty, Old Nick himself—nostalgie de la boue dressed up as social concern.

Artists, for their part, have remained generally sceptical, for Gilbert and George have *few practical followers,* and have exerted surprisingly little direct influence, far less certainly than their fellows in St Martin's Sculpture School's second and conceptual wave, Richard Long and Barry Flanagan.

But the graphic wit and elegance of their invention are undeniable; and it had seemed, *moreover,* that as they moved away from their own direct, if ironic, personal involvement in their imagery, so the work was given a certain strength, its imaginative possibilities rather more extended. With this exhibition we are back to easier and obvious pictorial answers, Gilbert and George splashing still by themselves in the *pseudo profound,* that is to say the shallow end of the pool.

War and Peace/Coliseum

Rodney Milnes

I wonder how much David Pownall's *Master Class* has affected London audiences' reactions to Prokofiev's inspired, sprawling, uneven, poster-paint opera? Or the knowledge that some of the best music was recycled from an earlier, unperformed suite of incidental music for a dramatization of *Eugene Onegin?* Do the overtly propagando - patriotic passages start to sound too obviously written to satisfy the dread Soviet Committee on the Arts? Is the lyrical music, somewhat indiscriminately reprised, perhaps too all-purpose? Was Prokofiev writing down to his audience?

That such worries obtruded seldom during last Saturday's performance and only fitfully afterwards is warm tribute to Colin Graham's classic ENO production, powerfully revived for inclusion in the repertory of the forthcoming U.S. tour. The technical skill of the staging, its unobtrusive detail as well as its *confidently handled cinematic* sweep, makes the best possible case for the work: if in the cold light of day *War and Peace* doesn't look like a flawless masterpiece, then in a performance as fine as this it emerges as something very close to it.

The more so when conducted with as much understanding as it is by James Lockhart. With iron control over a highly responsive orchestra he demonstrates the composer's complete command of operatic technique: the scenes, you notice, are just the right length; the balance between verbal and musical *priorities in them is perfectly* judged, and as well as shaping the tunes with great warmth Mr Lockhart ensures that the words are audible: Prokofiev's *skill in communicating so much* in so short a time span (the first act feels only about half of its 90 minutes) cannot be denied. Whatever doubts may lurk about the consistency of the musical inspiration, in Mr Lockhart's hands there can be none about the way it is manipulated.

One of the strengths of the production is the way it has accommodated cast changes over its 12 years. There are some old friends here—Eilene Hannan's infinitely appealing Natasha, phrased with glowing *musicianship, Norman Bailey's* Kutuzov, a performance of epic grandeur, and perhaps most remarkable of all Kenneth Woollam's Pierre, in that in terms of purely musical delineation he is one of the composer's rare failures and the fact that the character still makes so striking an impression is almost entirely due to Mr Woollam's powerful physical impersonation.

Foremost amongst the newcomers is Russell Smythe as Andrei. A Pelléas like his predecessor Thomas Allen, he commands the high tessitura, which nevertheless cannot make his opening solo any less terrifying to sing cold. Mr Smythe's clear, lyrical account gave much pleasure; confidence acquired during the run will doubtless add to it. His *romantic good looks are a help. Linda* McLeod's bouncy Sonya and Ann Howard's brazen Hélène are both assets, and Christopher Booth-Jones seizes his opportunities as Denisov.

Two more principals new to their roles have a special relevance. As Princess Maria, Jean Rigby creates a character of great depth with a mere handful of lines, and Alan Woodrow makes a vivid impact as Barclay de Tolly at the Council of Fili. In both cases the triumph is Prokofiev's: Maria is all there in the notes, and if you are going to set a GHQ conference to music then this is the way to do it—it is a wholly riveting episode. I seem to have talked myself out of doubts. There is not a dull moment in *War and Peace,* at least not in the theatre and certainly not in Mr Graham's masterly staging.

Royal Philharmonic/Festival Hall

Andrew Clements

The last concert of the first Great British Music Festival on Sunday produced for the first time a cogent, nicely balanced programme—the kind of mixed planning the rest of the festival should have contrived but signally failed to manage. It was given by the Royal Philharmonic Orchestra conducted by Norman Del Mar, and the audience was the largest I have seen for the series—around 60 per cent of the Festival Hall's capacity.

Included, singular event for this series, was an unqualified masterpiece. Holst's *Egdon Heath* is the closest British music ever came to the astringency and dramatic effectiveness of the Sibelius tone poem, whose presence hung heavily over so many composers in the 1920s and 1930s. It is lean music, with not a note wasted and quite without the lapses into functionless modality that dilute much of Holst's orchestral writing.

Its clear-cut proportioning made a pointed contrast with Constant Lambert's ramshackle Music for Orchestra, written in the same year (1927); an introduction and allegro that begins well, but fizzles out into folksy fugues and some awkwardly managed transitions. Mr Del Mar shaped both works with care, but his slowish tempi for the Holst lacked purpose at times.

The festival included in its first concert last autumn the first London performance of Lennox Berkeley's long-forgotten cello concerto, weakly and unmemorably constructed, and it closed with the same composer's violin concerto, completed in 1961 for Yehudi Menuhin. Mr Menuhin played it rather effortfully here, reveal*ing a shapely, tightly argued* work with chamber-orchestra accompaniment and furnished with some well characterised and highly functional ideas.

With Thea *Musgrave's* concerto for orchestra and the suite from Arthur Bliss's ballet *Checkmate* the musical substance after the interval was more diffuse. But the concerto at least brought a gently nostalgic resonance of British music in the 1960s, when Roberto Gerhard was being widely promoted and the controlled aleatoricism of the Polish avant garde was finding a ready market. Miss Musgrave's self-consciously theatrical score is I fear already somewhat *dated, though the RPO did not* project it with the conviction and flair it demands.

Yesterday's BBC lunchtime recital at St John's Smith Square produced a first performance. Between Mozart's *Adagio* and Rondo in C K617 and a boldly romantic account of Schoenberg's first chamber symphony the Koenig ensemble introduced Marco Tutino's *Light Sonata* commissioned for the series by the BBC. Tutino is Milanese, born in 1954, and apparently pre-occupied in recent works with the expressive and melodic potential of the *convention of popular idiom.* The *Light Sonata* continues this path and takes it into the realm of Rock as a "detailed study" of its forms and procedures and in particular those of the New Wave.

The material obtained from the studies is, certainly, abstracted, for the piece is in no sense anecdotal, but a smoothly geared and carefully finished instrumental essay which bears the broad outline of a three-part form. It is woven out of a wealth of repeated patterns — harmonic, melodic and rhythmic — producing a texture and manner rather close to neo-classical Stravinsky in its clear cut sounds and low level of dissonance. A brisk, rather engaging piece, certainly *insubstantial* yet proclaiming a distinctive creative personality.

Shangri-la/ICA

Martin Hoyle

Under the artistic direction of Geraldine Pilgrim, Hesitate and Demonstrate prove that rarity in the world of fringe theatre: a company of absolute technical assurance which inspires confidence that sound *cues, lighting, props and acting* will function with the utmost smoothness.

Their current show takes as its premise the erection of a *holiday camp on the smouldering* ruins of Manderley—Maxim de Winter's sinister stately home in Daphne du Maurier's *Rebecca.* Those of us who have long suspected *Rebecca* to be merely *Jane Eyre* writ small will see nothing unnatural in Manderley's translation to the idiom of Mills and Boon.

A mousey librarian is whisked off to romance by a suave charmer with a moustache and a profile fleetingly resembling Olivier's in the Hitchcock film. An extraordinarily *inclusive set,* comprehensive without being cluttered, is the background for an apparent honeymoon watched over by a smiling, sometimes menacing, redcoat. Brief glimpses of Manderley's past remind us of the emotional charge inherent in a particular place. The bridegroom's unpredictability makes us wonder if this is actually *Maxim himself, putting a third* wife through it.

The evening is a series of impressions, unfolding to an aural kaleidoscope that includes snatches of Britten, Wagner, Verdi (did I hear—significantly—Desdemona's "Ave Maria" before her murder?) and Puccini; the stage shimmers, watery, to the crystalline strains *of a glass harmonica;* Kathleen Ferrier follows South Pacific.

A fragmented narrative varies in style from near-realistic (the groom leaves his wife suddenly in mid-ballroom *dance* to pot compulsively at a shooting-gallery; he starts in horror at her appearance in a dress proffered by the stage-managing redcoat) to the surreal—the girl opens a set of lockers, each of which releases light and sound (laughter, screams, birdsong) like a miniature world briefly revealed before she quickly shuts them.

A deliberate mixture of the allusive and the banal, the wordless spectacle is beautifully performed by Lizza Aiken, Andrzej Borkowski and Alex Mavrocordatos. The composite set effortlessly allows for library, camp chalet, swimming-pool and dance-hall, as well as *the burning of a miniature Man*derley to Tom Donnellan's masterly lighting.

In view of the excellent presentation, I feel churlish in suggesting that the style outweighs the substance. I look forward to seeing this polish applied to a less wispy theme next time.

Alex Mavrocordatos, Lizza Aiken and Andrzej Borkowski

English Festival Chorus/St John's, Smith Square

David Murray

Only two years *old,* the English Festival Chorus is an excellent body of singers. Under their conductor Julian Williamson, they tackled quite distinct musical challenges on Sunday night—the perilous chromatic writing of Hugo Wolf and Schoenberg, and the crisp period style of the Schütz *St Matthew Passion.* They suc*ceeded with aplomb,* clean pitch kept immaculate and silky tone intact (agreeably flattered by the St John's acoustic, in which smallish choruses always bloom). Cautious choirs use Schoenberg's optional instruments to keep them on track in *Friede auf Erden,* but this whole concert was sung *a cappella.*

If Schoenberg's elaborate piece can bear more passionate excitement at its climax, the bright, unforced sound of the Festival Chorus served quite sufficiently well; and they had done justice to its sequence of high dramatic contrasts. Wolf's gentler choruses, the 6 Sacred Songs after Eichendorff, had passages that floated radiantly, and the mood of each song was delicately marked. If this refined music were heard more often in such sympathetic performances, it would *soon* cease to languish on the fringes of the repertoire.

After that display of poise, it was not surprising that the pithy choral utterances of Schütz's *Passion* leapt regularly to life, with no skid more serious than an entry or two that had to be hastily got together. The work was sung in *English,* and most of the solo singing—from John Campbell's Evangelist and Trevor Craddock's Christus through the minor characters *of the story*—suffered from more or less severe cases of Sacred Plum in Mouth. It had the dull ring of sincerity, but churchy intonation at a decorous pace (with pious *rallentandos*) cannot be what Schütz expected in his narrative: all the choral writing, concise and swift, contradicts the notion—as it did, happily, in this performance.

The Pru backs the theatre

The Prudential Assurance has become a sponsor of the arts. It is backing Orchard Theatre, the leading touring company in the south west, to the tune of £9,000, enabling it to present four plays throughout the region: *A Study in Scarlet; The Passion Play; The Song of Tristan;* and *Far From the Madding Crowd.*

Arts Guide

Music/Monday. **Opera** and **Ballet**/Tuesday. **Theatre**/Wednesday. **Exhibitions**/Thursday. A selective guide to all the Arts appears each Friday.

March 30–April 5

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: La Forza del Destino, sung in Italian, with Julia Varady, Livia Budai and Giorgio Merighi; it is produced by controver*sial Hans Neuenfels.* Tosca has Eva Marton in the title role.

Hamburg, Staatsoper: Le Nozze di Figaro features Ann Murray and Marie McLaughlin in a Götz Friedrich production. *Arabella* has Judith Beckmann in the title role. Fidelio is cast with Gwyneth Jones, Manfred Jung and Franz Ferdinand Netwig. Also billed is Zar and Zimmermann and Ein Maskenball, starring Piero Cappuccilli as Renato and Sylvia Sass as Amelia.

Cologne, Opera: Jean-Pierre Ponnelle's new production of Carmen has *Kathleen* Kuhlmann as Carmen and Luis Lima as Don José. Cosi fan tutte is also offered, and to commemorate Wagner's 100th anniversary, Parsifal is performed with Walter Raffeiner in the title role.

Frankfurt, Opera: East German Ruth Berghaus's production of Berlioz's The Trojans is added to the week's programme of Der Wildschütz, and The Magic Flute with Elfie Hobarth as Queen of the Night.

Munich, Bayerische Staatsoper: Simon Boccanegra has Mara Zampieri and Martti Talvela in the leading roles. There is a new production by John Copley of Adriana Lecouvreur, conducted by Guiseppe Patane with Margaret Price, Hanns Schwarz and Neil Shicoff in the leading roles. Un Ballo in Maschera has Lucia Plowright and Luis Lima in the cast, *and Don Pasquale rounds* off the programme.

ITALY

Milan, Teatro alla Scala: I Pagliacci, directed and with scenery by Franco Zeffirelli, and La Strada, choreography by Mario Pistoni and danced by Carla Fracci. (Sat, Thur) (809126)

Venice, Gran Teatro La Fenice: new production of Rossini's L'Italiana in Algeri conducted by Gelmetti with Marilyn Horne and Samuel Ramey. (Tue) (25191).

Verona, Teatro *Filarmonico:* New version of Manon Lescaut by Daniel-François-Esprit Auber, directed by Dominique Delouche, conducted by Jean-Pierre Marty (Sun mat, Thur) (22880)

Turin, Teatro Regio: Thaïs by Massenet conducted by Reynald Giovanetti (Sun); Donizetti's l'Ajo dell'imbarazzo with Luciana Serra (Tue, Thur) (548000)

Bologna: Teatro Communale: Richard Coeur de Lion, a three-act comic opera by Andre Erneste. (Sat, Tue) (222999).

VIENNA

Staatsoper: Verdi's Rigoletto conducted by Graf (Fri, Mon). Verdi's Simon Boccanegra conducted by Claudio Abbado with Ricciarelli, Gonda, Bruson, Carreras, Raimondi, Schiavi, Sfiris. (Sat, Tues). 5324/2655

Volksoper: Herman's "Hello Dolly" conducted by Rudolf Bibl (Wed)

"Dance 84" Festival: Giselle by the Vienna State Opera Ballet. Choreographed by Alicia Alonso, starring Lilly Jacob: Scheuermann, Ludwig Karl (Mon); and Nadjeshda Pavlova, Njatscheslav Gordjejev (Tues) at the Volksoper.

PARIS

Ballet Soirées: La Bayadère and Covent Garden's production of Tchaikovsky's Tempest, choreography for both by Rudolf Nureyev: Les Mirages, choreography by Serge Lifar, and No Man's Land, choreography by Rudi van Dantzig, followed by Marco Spada – a three-act ballet-pantomime, in Rome Opera's production, adaptation, choreography and decor by Pierre Lacotte, John Lanchbery conducting at the Paris *Opéra – Salle Garnier* (742 5750)

Claude Debussy's La Damoiselle Elue inspired by Rosetti's The Blessed Damozel in a double-billing with Purcell's Dido and Aeneas in a new *production with Jessye Norman* as Dido, Christine Barbaux, Veronique Dietchy as Belinda and William Stone as Aeneas, with Jean-Claude Casadesus conducting, at the Opera Comique-Salle Favart (296 0611)

Momix Dance Theatre with its improvisations and sense of humour, its shadow dancing and a quartet on skis gives an early evening performance at the Théatre De La Ville (274 2277)

Borodin's Prince Igor – concert version by the orchestra of Sofia. Opera conducted by Rouslan Raytchev continues the Russian season at the TMP-Châtelet (233 4444)

NEW YORK

Metropolitan Opera (Opera House): The season's first performance of James Levine conducting Don Carlos, with Monserrat Caballe and Giacomo Aragall as the romantic leads and Tatiana Troyanos as Princess Eboli highlights a week that also features Gian Carlo Menotti's production of Manon Lescaut as well as Piero Faggioni's new Francesca da Rimini conducted by James Levine with Renata Scotto as Francesca and Placido Domingo as *Paolo. Lincoln Center* (580 9830).

A Night in Venice (Eastside Playhouse) Alice Hammerstein Mathias's lyrics accompany Strauss waltzes for the Light Opera of Manhattan's view of romance at Carnival time. Ends April 22. 334 E. 74th (861 2288)

Paul Taylor Dance Company (City Center): The nearly month-long sea*son of mixed repertoire features* premieres of Paul Taylor's Byzantium set to music by Varese and Equinox set to Brahms, along with revivals of Big Bertha, Profiles, Runes and Nightshade. Ends April 15. 55th E. of 7th Av (581 7907)

LONDON

Royal Opera, Covent Garden: Bellini's *I Capuleti e i Montecchi,* Bellini's Romeo and Juliet receiving its first staging from the Royal Opera, has Agnes Baltsa and Edita Gruberova as the star-crossed lovers, Riccardo Muti as conductor, and Pier-Luigi Pizzi producing his own designs. The latest revival of the aged and near-decrepit Zeffirelli production of Rigoletto introduces Sherrill Milnes in the title role, with *Alida Ferrarini as Gilda (London debut)* and Dennis O'Neill as the Duke; Edward Downes conducts.

English National Opera, Coliseum: War and Peace, the company's famed *Prokofiev spectacular,* returns for a London showing before the company's U.S. tour. A familiar cast headed by Eileen Hannan, Kenneth Woollam, Norman Bailey and Malcolm Donnelly is joined by Russell Smythe, the new Prince Andrey; James Lockhart conducts.

Sadler's Wells, Rosebery Ave: Ballet Rambert ends its season at Sadler's Wells with a triple bill on Friday and Saturday.

Royal Opera House, Covent Garden: Royal Ballet offers a triple bill on Friday and Wednesday.

Albert Hall: Starting on Tuesday for a week, that great skater and ice dancer John Curry is to be seen with a company and a good orchestra.

Royal Opera House, Covent Garden: The Royal Ballet triple bill on Wednesday brings back the soggy *Midsummer, staged earlier this season.*

Table Treasures/Brussels

Rob van Mesdag

HOW the eating habits of the affluent have changed, from Roman times to the present, is colourfully displayed at the exhibition "Tresors sur Table" organised by the Credit Communal in Passage 44, until June 24.

The Romans dined lying on the floor, a custom never brought back until now, while their "triclinium," a room reserved for eating, and their small, round, richly decorated tables did return to fashion in the second half of the 18th century.

During the intervening thousand years, banquets were held in halls or living quarters of castles or buildings, with tables consisting of boards laid across trestles. Guests sat on one side of the table enable servants on the other to respond to the diners' every demand.

French and German prints of the 15th and 16th century illustrate the prevailing customs. Most important *was the seating plan, strictly* according to rank; and proper eating manners, though crude in present eyes, were considered so necessary that in 1530 Erasmus, the Dutch humanist, wrote: *"It is discourteous to* lick one's grease-covered fingers or to clean them using one's coat. Better is to take the napkin or tablecloth."

Forks, plates or glasses were not *in evidence, so – as is shown in the* exhibition – meat was brought to the mouth with the aid of pointed knives. One ate off earthenware dishes and drank out of cups, filled from jugs. In the 16th century tableware became more refined.

On loan from the Müsée du Verre in Liège are 17th century Venetian dishes and bowls with intricate colour schemes, amber-tinted vases, and glasses with serpent-shaped stems. Beauvais, Nevers, Rouen, Marseilles were some of the centres for earthenware manufacture.

There are 16th century dishes and bowls from Beauvais with animal designs and images, and jars, with or without lids, from Cologne. Arriving at the Renaissance, the exhibition begins to take on more colour because the ambiance of a festive table – with gold and silverware, European porcelain and flamboyant centrepieces – became as *important as the food.*

Purpose-built dining tables began to appear, as did dining rooms – or reappear, if one remembers Roman times. Forks replaced fingers and *the points of knives* became rounded to prevent guests from picking their teeth with them.

On display are silver tankards from Nuremberg; silver teapots, caddies and salt cellars from Brus*sels, and cutlery – forks with two* prongs only – from the Netherlands.

After kaolin was first used in Europe in 1709, tableware made of *porcelain began to replace earthen*ware, so competing with "chine de commande" (ordered in Europe for manufacture in China) which had hitherto been the only china on Eu*ropean* tables. Interesting to compare are a dish and plates of "chine de commande" from the second half of the 18th century, with a soup tureen and bowl with lid from the same period made in Sèvres.

Such porcelain found its match in table centrepieces from that period. The purpose of these was to please the eye, which is still true when admiring a landscape made in silver, with multi-coloured fruit in porcelain, covered with bright enamel leaves, made in Vienna in around 1740. Most unusual is a porcelain two-tiered tray with "custard cups" made in Stoke-on-Trent in 1851, presented by Queen Victoria to Emperor Franz-Joseph and Elizabeth upon their marriage in 1854.

Most spectacular is an Empire style table, complete with elaborate centrepieces, gold-plated plate warmers; all cutlery to the right of *plates only, as was the custom.*

THE MANAGEMENT PAGE: Small Business

BY CHRISTOPHER LORENZ

A family business

Secrets of survival

Tim Dickson reports on Ireland's oldest linen company

HOW does a textile business survive for 250 years, remain throughout that time under the ownership and management of its founding family and still look forward with confidence to the 21st century?

Wallace Clark, sales director of Ireland's oldest linen firm, probably knows more answers to that question than most.

For Clark has not only been a principal architect of the recent changes at Wm Clark and Sons, of Upperlands, County Londonderry, he has also written an entertaining history of his forebears' achievements, which contains some valuable insights into how a family business can be run successfully*.

Luck, he candidly observes, has inevitably played a major part over the years and he pays tribute to (among others) his "great-great-grandfather Alex, the Sealmaster, who was not so great, with the result that the business did not over-expand in the Napoleonic War."

But good fortune is not enough if you want to last 10 years, let alone 10 generations (which, with three younger members of the family in the business is Wm Clark's current tally). Much more important are the twin abilities to move with the market place and to respond to technological change.

Appropriately enough, these threads run not only through the years from Jackson Clark's decision to put in water-driven machinery in 1740 to the post Second World War expansion in household textiles. They are an important theme in the latest, and so far largely unchronicled, chapter of the firm's history from 1960 to the present day.

Losses in 1981 and 1982 admittedly brought to an end an uninterrupted run of pre-tax profits dating back to the 1930s. But if the company had not moved aggressively into a different niche of the textiles market at the beginning of the 1960s, thereby reducing its dependence on linen, the chances are that a proud Ulster tradition would have been brought to an end well before its modern heirs had been faced with the tough challenge of the latest recession.

As it is, thanks to the sort of cost-cutting and, inevitably, job-shedding, programme which most traditional industries have been forced to adopt—Clark's workforce has fallen from 350 to 220 in the last couple of years — the company expects to be back in the black for the 12 months to end March 1984. Significant investment in the production and marketing of textile wallcoverings, moreover, has recently paved the way for what Clark hopes will be expansion in a growing world market (notably in North America).

The story of Clark's "fusible interlinings" (which currently account for about £3m of the group's £5m of sales) is also the story of Everbond, a London-based marketing subsidiary set up in 1963 to exploit what was then a very new idea.

Tailors' interlinings, the material placed between the outer fabric and lining of a garment to enable it to retain its shape, or the "chassis," as Wallace Clark puts it, have been a speciality of Wm Clark and Sons since the business was founded in the early 18th century (while the letterhead says 1740, documentary evidence has shown that trading on an ad hoc basis had begun before that date).

Technical challenge

Until the 1950s, stiff linen with perhaps a little starch was the ideal material for interlinings but as houses and cars began to be better heated after the Second World War and the spread of drycleaning reduced linen's inherent advantage of stability, the trade turned to softer fabrics (e.g. wool and hair mixture) including those of the "fusible" or "heatseal" variety. "Fusibles"—which were first made in the late 1950s — are coated with adhesives, laminated to the outer fabric (usually on a press) and involve less tailoring skill and more control than the old "sew-in" system.

Staflex, the publicly quoted company which went into liquidation in 1979, was the unchallenged market leader in fusibles; but on a smaller scale Everbond was among the earlier European companies to respond to this new technical and marketing challenge.

The result today is that Everbond is one of the European leaders in what is a highly competitive business—a consequence, Wallace Clark believes, of the company's high quality technical support and the technical know-how of its sales team.

But while the disappearance of Staflex offered a short-lived bonus—and an opportunity to grab new customers—competition for fusibles from French and German importers such as Kufner and Lainier de Picardy has clearly been intense. (This is compounded by the continentals' tendency to target their sales drive on a handful of large potential customers.) The traditional side of the business—tea towels, table cloths, etc.—continues to fight it out for relatively low margins with Iron Curtain rivals while BWC, a joint venture with a German company, has been turning in healthy profits making polyester filtration fabrics.

In what inevitably remains a generally hostile trading environment for textile manufacturers, Clark is pinning much hope for the future on increased sales of wallcoverings. Showing again its ability to find new ways of making money, the company's new collection has been developed to take advantage of many of the same coating techniques used for fusible interlining; they have been adapted to laminate decorative yarns onto paper.

With the product's up-market appeal Clark hopes that this relatively new activity can bring higher margins as well as higher sales.

Family businesses are often derided by academic economists, who argue that primogeniture is not the best way to ensure competent management succession. In Clark's case, however, the family's ability to retain control through thick and thin — and thereby control its own destiny—has almost certainly been a significant factor in the company's survival. Many small and medium-sized textile businesses—notably in Northern Ireland — were swallowed up by large groups such as ICI and Courtaulds during the post war boom only to be shut down when the going got tough.

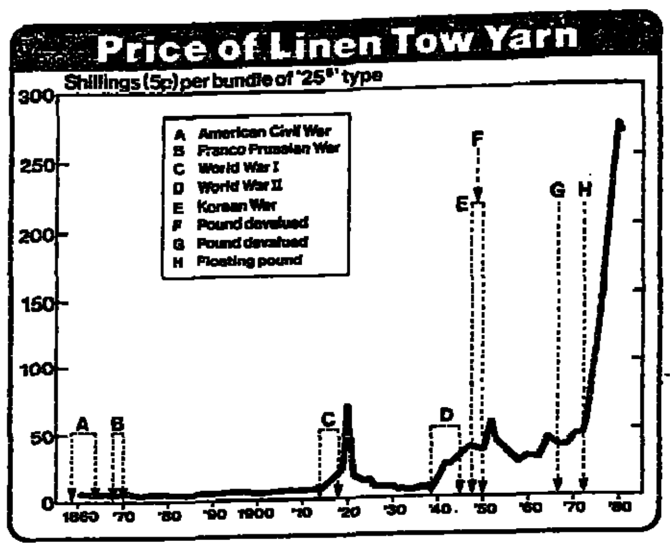
As Robert Franks, of International Linen Promotions points out, "For many reasons —good and bad, a lot of companies have been closed down by the parent. Come hell or high water — through boom and slump — Clarks have managed to keep their independence."

Dallas and Porsche type feuds seem to have been avoided and to this day no shares have left the family or its close associates. (Norman Crawford, the current chief executive, was the first "outside" Board appointee when he was hired in late 1982 after the sudden death of the then chairman and finance director, Billy Clark.)

Explaining why outside capital has never been needed, Wallace Clark says the company's distribution of profits has always been "cautious," the temptation to buy property was fortunately denied a rurally based business, and the support of Northern Ireland's various industrial development agencies has also been crucial (particularly a package from the Industrial Development Board during the recent recession).

There is, however, no simple answer to the original question, save Clark's observation that "longevity of individuals has been important, and the siring of a son or two of ability in each generation — one who doesn't mind getting his hands dirty." Perhaps there is another clue in his obviously sincere conviction that "a company with no respect for its past does not deserve a future."

** Linen on the Green, an Irish mill village, 1730-1982. By Wallace Clark, available from Century Press, Alanbrooke Road, Belfast. Price £7.95*



Wallace Clark: the ninth generation of family control

To trade or to manufacture

BY DAVID HELLIER

EXPORT award-winner Frank Howard has a crucial decision to make. Should he continue running his three-man operation as a trading company or should he take the plunge into manufacturing?

Howard's company, Mostyn Chemicals, distributes chemical products for agricultural, public health, industrial and veterinary uses to around 30 countries—and exports account for more than 80 per cent of his £2m annual sales.

It is for this performance that Howard has just become one of three BOTB export award winners — in the first year that companies in the service sector have been included.

His present dilemma arises from the attitude of potential customers in some of his overseas markets towards middlemen. "Pressure has tightened up on some markets from governments and large purchasing organisations to buy only from manufacturing companies," says Howard. This is making it difficult to secure future contracts, and is a situation he clearly finds inequitable. "A multinational does not always manufacture its own products, but its status is never queried," he remarks.

"We may be forced into manufacturing, and it's a decision I would prefer not to have to make," says Howard. The problem is one familiar to many other small firms, and is just another of the many hurdles faced by small exporters.

David Royce, director-general of the Institute of Export, says: "I do not know of any country in the world where the Government does not tend to prefer to deal directly with the manufacturer.

"This policy is more pronounced in some countries than in others but there's nowhere that the bias does not count."

Royce makes the point, though, that while a feeling exists that "all middle-men are in it for a big rake-off," their special knowledge "may work to the advantage of the buyer."

If a successful trader does feel under pressure to go into manufacturing he should think very carefully before doing so, suggests Royce. "It does not follow that a man who is good at selling is necessarily a good manufacturer. He might be more effective continuing as he is."

George Salt, North-West regional director of the British Overseas Trade Board, reckons that it is a question of swings and roundabouts for a small trading company. Such a concern "has the advantage in that it can put a package together quickly and can deal in small quantities," he says. In some countries, though—like Iraq—they "just will not deal with a middle-man. There, agents are taboo. It's just the way of the world."

Not that the way of the world has been too unkind to Howard's company so far. Mostyn's turnover has increased from £577,000 in 1982 to more than £2m a year in 1984.

"Although many countries have strict requirements, you should not immediately admit defeat. You have to be tenacious and keep going," he says.

Since starting his own company in 1979, Howard has worked closely with Salt's BOTB office in Manchester.

Frank Howard: "A decision I would prefer not to have to make"

And last year a lead from BOTB about an agent in South Korea who wanted veterinary insecticides led to a £250,000 deal.

Howard thinks his success is due to his company's flexibility, and his own technical knowledge. Trained as a chemist at the University of Manchester's Institute of Science and Technology, he also worked for nearly eight years at Allied Colloids near Bradford, which supplies specialised chemicals for coal treatment.

Throughout this time he never gained any experience of running a manufacturing company and he does not really wish to venture down that road now. "Once you have a production operation, it has to keep going continuously and there are strains on management. But we may be forced into providing physical proof of a works in order to get orders," he adds wryly.

In brief...

TRAINING for management of small firms is becoming widely recognised as more than a means of developing executives' abilities. The increasing number of evening, weekend and even residential courses run by business schools and polytechnics plays an important role in linking the lonely entrepreneur to his local network of supporting agencies.

There is thus bound to be considerable interest in a new report commissioned by the UK Organising Committee for the European Year of Small and Medium Sized Enterprises* which criticises "the fragmentation and lack of direction of Government policy" and calls for a separate management training division within the Department of Trade and Industry.

The authors of the discussion paper — Barry Baldwin of Price Waterhouse and Sue Palmer of ICFC — highlight the opposition in universities and polytechnics to devoting more resources to management training. They call for more "tenured" posts to replace the temporary appointments and secondees from industry and advocate a local co-ordinator in each part of the country. The principal message is that more money should be put behind the efforts of Government and academic institutions to reach a far wider audience.

** Copies available from Bill Poeton, 21 South Terrace, London SW7. Tel: 01-589 1945.*

T. D.

WEST GERMAN MOTORCYCLE INDUSTRY

BMW bucks the trend

By Alan Wright, recently in West Berlin

SENTIMENTALITY is not often linked with spending as much as DM 350m ($135m). Yet it is one reason given by Bayerische Motorenwerke (BMW), the West German automotive group, for already putting DM 300m into modernising its motorcycle factory at Spandau, West Berlin, and committing a further DM 50m for investment over the next two years.

This is in stark contrast to the production cuts made recently by the rest of the world's major motorcycle manufacturers in the face of tumbling sales. It is even more adventurous that the group should commit such a large percentage of its capital investment programme, totalling DM 900m in 1983, into a side of its business which plays so small a part of overall vehicle output.

BMW's motorcycle factory in West Berlin

Last year BMW car production totalled around 420,000 units with a turnover of DM 14bn. However, the Berlin factory, which produced 28,000 motorcycles, had a turnover of only DM 500m, and about one-third of this was generated by car parts which are also made at the plant.

The company is currently losing money on its motorcycle operations—though it declines to specify just how much. It says that with its new investment it will *go into the* black this year. Certainly, sales of its new K series seem strong. In the UK, for example, BMW bike sales have doubled in the first three months of this year compared to 1983 and in Germany the top-of-the-range K100RS model is sold out until August.

The decision to press ahead with modernising the factory must have been made easier by tax concessions obtainable on investments in West Berlin. Nevertheless the figures demonstrate how difficult must have been the choice, made in 1979, between either pulling out of motorcycles—a traditional loss-maker—altogether or investing heavily in a new generation of bikes to supplement the existing range of flat-twin cylinder engined machines, the basic design of which had not changed in the previous 56 years.

Herr Hans Glas, director of the factory, explains that it was here that sentiment played its part. The company started in 1923 as a bike producer, when co-founder Max Friz reputedly scribbled the layout of the first flat-twin engine on the back of a beer mat. After World War Two, it was once again with bike manufacture that the group decided to rebuild its fortunes.

Another influencing factor highlighted by Herr Glas is the knock-on effect that involvement with motorcycles has on car sales. This, he says, is difficult to quantify, but the BMW board believes strongly that motorcycling's sporting image plays a useful part in the marketing of cars.

For this reason advertisements for bikes are placed in car publications, not so much to sell the bikes themselves but to help instil in a potential car buyer's mind BMW's sporting background.

"Mercedes has its trucks and cars, we have our bikes and cars", Herr Glas comments wryly. Despite the fact that bikes represent only 0.6 per cent of BMW's total vehicle production, market surveys have shown public estimates of this to be far higher — as great as 40 per cent in a large number of cases.

"Bike riders themselves seem to consider this sporting image important," Herr Glas adds. "Our bikes have often been labelled expensive. The RS and RT versions of our new K series cost some £1,000 more than the standard model, and the only major difference is that they have a fairing (racing-style fibre-glass streamlining). Yet customer demand is running 50 per cent for the RS, 40 per cent for the RT and 10 per cent for the standard version."

The new Spandau production facilities, inaugurated last month by Dr Helmut Kohl, the West German chancellor, are *now the most modern for motorcycles* in Europe.

Robots are being tried out at BMW's separate frame building works but the company is concentrating on the use of computerised numerically-controlled machining operations, a method Herr Glas describes as more in line with BMW's reputation for high engineering standards.

This year BMW plans to produce around 32,000 motorcycles at Spandau, its only factory. The company says that at this level the bike side becomes profitable. Output should increase to 45,000 in 1985.

Of bikes built in the current year, about one-third will be powered by the flat-twin engine and the remainder by the new K series 1,000 cc water-cooled four-cylinder power unit, production of which is planned to rise to 30,000 a year by 1986.

Herr Glas refuses to be drawn on plans for any additions to the company's bike range. However, beneath one of the factory's coloured production diagrams, a legacy of Dr Kohl's visit, castings for three-cylinder crankshafts were clearly visible. So new models are clearly on the way, which could obviously lift production targets higher.

Some 1,800 people are employed at the Spandau works, 600 of whom are involved in car part activities. With sales of the K series already looking healthy, the plan *is to employ* a futher 180 workers on bike production.

Around 60 per cent of output goes for export to 160 countries — between 10 and 15 per cent of this for government and police use. Very encouraging sales reports are being received world wide for the new K series, according to Herr Glas, and shipments to the U.S., BMW's most important export market, have yet to begin.

Demand for the new models could, therefore, rise sharply. But the governing factor on meeting this is the factory's paint shop. Machine output could be doubled by switching from the current one shift, producing 160 bikes per day, to two shifts. However, to cope with more than 45,000 bikes per year the paint shop must wait for its DM 40m improvement programme to be completed, and that is still some months away.

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Confidence in Zimbabwe

THE NUMBER of countries in black Africa which can boast that they pay their bills on time can practically be counted on the fingers of one hand. In particular, those who keep up to date on invisible payments, like profits and dividends to foreign investors, are hard to find. Some of the Francophone states, notably Cameroon and Ivory Coast, have reasonable track records, as have Botswana, Malawi and, hitherto, Zimbabwe. Kenya has been guilty of some recent lapses, but most other states are years in arrears.

It is all the more regrettable, therefore, that the Zimbabwe Government has felt forced to join those with a "pipeline" of outstanding payments, with its decision last week to impose tough new exchange controls, including a temporary embargo on remittances of profits and dividends.

Dr Bernard Chidzero, the country's widely-respected Minister of Finance, undoubtedly resisted the move as long as he felt able. He blamed it on the catastrophic consequences of three years of drought, which will mean the additional burden of between 500,000 and 700,000 tonnes of maize imports in 1984: the savings from the temporary embargo on invisible payments are intended to be adequate to finance the food imports. He also attempted to soften the blow by exempting new investments in Zimbabwe since 1979—although there has been very little in that category to qualify.

Fiscal discipline

Nonetheless, what Zimbabwe has chosen to do is restrict private sector remittances in order to protect payments on a very rapidly increasing public sector debt. The country's debt service ratio has risen from barely 1.5 per cent at independence in 1980 to almost 30 per cent today, and by far the most important factor has been the increase in public sector interest payments. They have gone up from under £13m in 1980 to almost £100m today.

Zimbabwe's balance of payments problem is in part a reflection of a lack of fiscal discipline at home, a failure to restrain public spending enough to keep the budget deficit within manageable limits. The problem has also been aggravated by poor economic management, as illustrated by the Zimbabwe Government's inability to spend more than half the aid money it has been promised.

Dr Chidzero's action means that he is effectively rescheduling private sector payments in order to avoid rescheduling his public sector debt burden. That has tended to be the knee-jerk reaction of many African governments, which have failed to grasp that private sector equity investment, rather than public sector borrowing from banks, is likely to be far more productive and beneficial to their economies in the long run.

Direct investment by multinational companies usually involves some degree of technology transfer to the receiving country. It implies a commitment by that company which it would not have simply as a contractor. And, in an international climate where bank lending to Third World countries is severely constrained, such investment may prove to be an increasingly valuable source of foreign finance.

A further disadvantage to the practice of delaying or otherwise restricting the remittance of earnings from company investments is that it may simply tempt the parent company to indulge in "transfer pricing"—the practice of loading the price of raw materials supplied to a subsidiary, in order that the parent company can ensure it makes its profits at home. The developing country will lose out either way.

Zimbabwe has had a particular problem in attracting foreign investment since independence. Dr Chidzero has gone out of his way to seek new investment, and continues to stress his Government's desire to have it. But his efforts have continually been undermined by the rhetoric of many of his Government colleagues, including that of Mr Robert Mugabe, the Prime Minister. Indeed, barely two weeks ago, Mr Mugabe urged the women's congress of his ruling party to "shun capitalism," a statement scarcely designed to engender confidence in the private sector.

As a result, foreign investors have tended to stay away, in spite of Zimbabwe's real attractions as a regional centre with excellent infrastructure and resources. The irony now is that it is Dr Chidzero himself who has been forced to take a step which can only be a further severe disincentive to the investment he needs.

Fair taxation for women

MANY ASPECTS of the UK tax system are outdated and illogical and few more so than the current taxation of husband and wife. This is based on a provision, dating back to 1806, which says that, while she is living with her husband, "a woman's income chargeable to tax shall . . . be deemed for income tax purposes to be his income and not to be her income."

Since the tax code was enacted, women's working habits have changed enormously. As recently as 1921, less than 10 per cent of married women worked. In 1982, the figure was 58 per cent, with another 6 per cent actively looking for work.

The Government recognises that the tax system should take account of this. In 1980, it published a Green Paper suggesting alternatives to the present arrangements and inviting comments. Later this year, another consultative document is due, which is likely to recommend small alterations to the current tax treatment rather than wholesale change.

Flaws

The legislation as it stands has several flaws. Quite apart from treating the wife as her husband's chattel, it allows her no privacy in her financial affairs.

It discriminates in favour of two-earner couples because the husband receives a married man's tax allowance (about one-and-a-half times the single allowance) while the wife gets a single allowance. Thus the pair receive two-and-a-half times the single allowance, compared with an unmarried couple who receive just a single allowance each.

Wives can now opt to be assessed separately from their husbands, but the husband then loses his married man's allowance. Unless the combined income of the couple is high, separate assessment is rarely worthwhile.

Devising an alternative to today's system is not as easy as it might appear—it would have to reconcile the rights of individuals to equal treatment with an outcome which takes due account of their economic circumstances.

Most systems of independent taxation are either expensive for the Inland Revenue to administer or they involve a shift in the tax burden under which many households would lose. The Green Paper, for instance, suggests that wives could be taxed separately but any unused allowances could be wholly or partly transferred to their husbands. This, however, would be both costly and complicated.

There is a solution which the Government should consider. It is more radical than tinkering around with the present arrangements, but it is fairer, simpler and cheaper to enact.

First the married man's allowance for non-pensioners should be abolished. It is outdated, discriminatory and turns marriage into a tax break. Then husbands and wives should be taxed separately on their earned income.

The losers on this count would be non-working wives. The vast majority of these, according to Department of Employment statistics, have dependent children. The logical solution, therefore, would be to spend the money gained from abolishing the married man's allowance—£3.7bn in 1984-85—on increasing child benefit.

This sum could add another £6.70 a week to child benefit, bringing the total to £13.20. And as several pressure groups have recently pointed out, raising child benefit is one of the best ways of alleviating the poverty and unemployment traps.

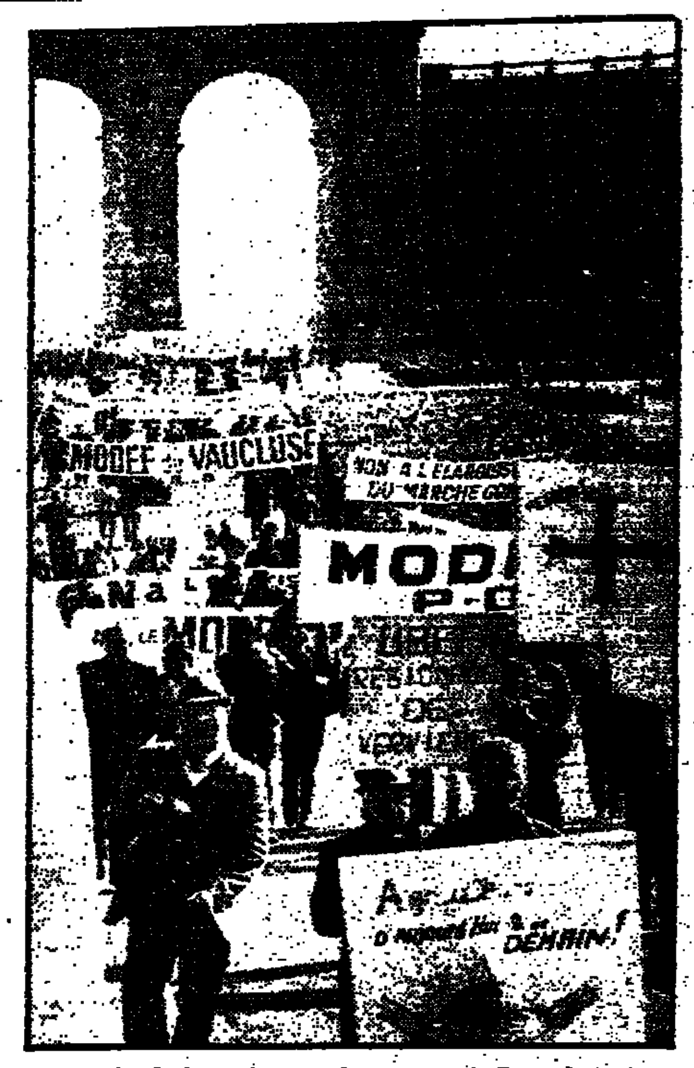
Most childless, non-working wives (the losers under this proposal) are richer than average and therefore, in a sense, choose not to work. But there is a case for phasinug in the new system by age so that those women who have never had a job because they were born into an older generation which did not expect them to work, would not suffer.

This Government claims to be in favour of tax reform. Since the next Budget will apparently concentrate on personal income tax, it will be an ideal opportunity to enact these changes. And if Mr Lawson is worried about the political implications, he would do well to recall last year's General Election in which the proportion of women voting Conservative fell markedly relative to the whole electorate.

EEC Agriculture

Europe sets out on the road to reform

Ivo Dawnay in Brussels reports on the implications of the Farm Ministers' new agreement on agricultural prices and production



Before the decision: farmers demonstrate in Brussels against the expected subsidy cuts

"THE Common Agricultural Policy is like a supertanker. We have turned the wheel at last and now we must wait to see how long it takes to respond."

The verdict of one long-standing European Commission agriculture specialist was shared by most witnesses to this weekend's historic agreement on farm prices and reforms.

But the overwhelming opinion was that more will have to be done in the coming years if permanent controls are to be achieved on what for 20 years have been open-ended commitments to price supports.

As Mr Poul Dalsager, the Agricultural Commissioner, said: "It would be an illusion to suppose that our task is completed; but the Council's decisions have at last put the Common Agricultural Policy on the right path."

Following that path will require a series of difficult short and long-term decisions.

Most immediately, the Commission must set about preparing two key pieces of Community legislation. The first will outline a means for providing extra financial support for the CAP in the current year. Even before this weekend's agreement, it was clear that the EEC was set to overspend its Ecu 16.5bn (£9.7bn) budget for the current year.

The compromises that went to secure a final accord have ensured that this figure will be still further exceeded, some estimate by as much as Ecu 3bn.

Agreement on releasing new finance will depend on a settlement of the British budget rebate problem, an issue that could still undermine the deal.

Mr Michael Jopling, the UK Agriculture Minister, has repeatedly suggested that funding the prices and reforms package should be within the current budget. And though other member states assume that the UK will relent and agree to the release of new funds, the argument further strengthens Mrs Thatcher in her battle for a satisfacory rebate.

Britain is also likely to use the carrot of a final settlement of the issues outstanding from the abortive Brussels summit to reinforce its argument for strict controls on future agricultural spending.

So far, other member States have only agreed in principle to a mechanism that will ensure over a three-year period that farm spending will be contained at a level less than the expansion of own resources — the customs duties, levies and VAT payments that form the basis of the Community budget.

Despite these question marks, it is clear that the reforms agreed at the weekend constitute the most substantial changes to the CAP since its introduction more than 20 years ago.

First and foremost, the agreement has made clear that farmers can no longer expect open-ended guarantees of support for their products.

Secondly, the widespread price cuts have established that economic stringency and the need to control spending mean farm incomes must, when necessary, take second place to the delicate balance of consumer and Community needs.

On each of the main areas of reform, Monetary Compensatory Amounts, milk, cereals and other products, substantial and significant changes have been made. But equally there remain major reservations over the stringency of the measures taken and the inevitable costs that various compromise solutions have failed to tackle.

● **Monetary Compensatory Amounts**, the longstanding system of border taxes and subsidies introduced to protect product prices in strong currency countries from cheap imports from competitors, are to be eliminated in a phased three-year programme.

However, not only is the cost high—perhaps as much as Ecu 400m to the Community and DM 1.8bn in subsidies to farmers from the Bonn Government—there are also fears that the consequences could be seriously inflationary.

The agreed system for removing the MCAs involves what is effectively a 3 per cent revaluation of the Ecu, creating a green rate for the currency in which farm prices are fixed by the Community.

This solution ensures that German farmers, and those in the UK and the Netherlands where subsidies for exports are currently in force, will suffer no nominal loss of income. However, it also allows those countries such as France, Italy and Greece which currently suffer penalising export taxes an effective 3 per cent rise in domestic prices for farmers paid for from Community funds.

Furthermore, when the German MCA is reduced to zero through a further 7 per cent cut over the following two years, the new Green Ecu will effectively be aligned on the DM. That means that any revaluation of the DM against other EMS currencies, or even a simple upward drift in the currency's value, will afford all other member states more farm price rises at the expense of their consumers and Community funds.

● **Milk.** Reining in Europe's milk production is undoubtedly the greatest achievement of last weekend's agreement. But even before the deal was signed, the anti-farmers lobby was pointing out that it merely slows the flow of Community cash down the dairy drain.

The final settlement restraining total Community annual production to 99.5m tonnes is impressive when seen against a projected 1984 outturn of 108m tonnes had no attempt been made to turn off the tap.

But this must be put against Community demand of only 87m tonnes. Thus overproduction at 14.5 per cent this year alone will cost the EEC as much as Ecu 3.4bn (£2bn) or about 21 per cent of the total agricultural budget.

What is more the new regime, following a cut back of 1m tonnes next year, is expected to remain unchanged thereafter—adding to an existing butter mountain that is nearing 1m tonnes. Every tonnes of the surplus sold on the world market requires a £1,000 export subsidy.

Nevertheless, the impact of the cutback is going to be acute on many of the EEC's 4m dairy farmers.

Hardest hit will be countries with many small producers, such as France, Italy, West Germany and even Ireland, despite Dublin's success in winning an exceptional 245,000 tonnes extra quota on top of its 5.3m tonnes 1983 production.

The new "superlevy" will reduce output by an average of about 7 per cent across the Community. And while larger scale producers such as the UK and the Netherlands will be able to reduce output by slaughtering, even they will see some bankruptcies.

Mr John Walker, chairman of the UK's National Dairy Producers' Association, warned at the weekend that up to 10,000 farmers jobs were now at risk.

● **Cereals** prices suffered a 1 per cent cutback under the agreement with exemptions for pasta-making durum wheat and rye (a last-minute concession to the Germans).

Though in itself the cut set an important new precedent for the future, some argue that it will actually encourage production to make up for the income lost to farmers.

Reducing cereals prices to world market levels has long been an article of faith for the European Commission, but attempts to do so have so far been ineffectual.

Just as the new milk restrictions are pitched too high, so in the past have thresholds on intervention levels for grains. Last year the level was fixed at 120.6m tonnes while output turned out at about 118m. Consequently the restraining mechanism that imposes a 1 per cent cut in support prices for every 1m tonnes produced over the threshold was not activated.

Despite this, Community wheat production is in chronic surplus, ranging from between 4 and 6m tonnes annually, while yields are increasing by 3 to 4 per cent a year.

Moreover, farmers have done everything to increase quantity at the expense of quality. As a result a large portion of wheat produced is unfit for human consumption, yet overpriced as animal feed.

While the barns and silos fill with cereals costing $100 a tonne to export, Cargill, the international commodity company, estimates that the imports of just under 20m tonnes of livestock feed from outside the EEC are costing the Community as much as $750m yearly.

The logical answer is to cut Community prices substantially, and indeed some agricultural economists believe that the knock-on effect in cheaper meat and poultry prices could in itself have major consequences for the reform of the CAP.

But such a move is deemed politically unacceptable by a broad alliance of countries, including the UK, Germany and France.

Attempts to contain cereals substitutes imports have been opposed by the British as a dangerous provocation to the U.S., the main corn gluten food exporter. However, it is understood that the Ten farm ministers endorsed at the weekend a Commission mandate to enter new negotiations aimed at containing U.S. sales.

● **Other products**—the Commission's general bracket for everything outside the milk and cereals regimes—have broadly suffered a 1 per cent price cut.

Most significant here has been the imposition of support thresholds on several new Mediterranean products, including cotton, sunflower seeds, sultanas and dried grapes, setting important precedents for the future containment of surplus Southern products prior to the arrival of Spain and Portugal.

Though the Greeks, the principal victims of the new ceilings, succeeded in pushing up the tonnages, it is now established that the South must take its medicine in the CAP reform programme along with the Northern countries.

Little has been done, however, to drain the Community's ever-expanding wine lakes, currently growing by between 15m and 20m hectolitres yearly.

Ministers also failed to tackle a major reduction in the price of beef—despite a 400,000 tonnes mountain and more in the pipeline through enforced slaughtering by dairy farmers.

The price of these evasions is already a major talking point in Brussels. The Commission claims that the total package will not add more than Ecu 200m to the Ecu 16.5bn budget allocated to agriculture in the 1984-85 marketing year.

Others, however, point to a number of additional factors that may force spending through the Ecu 20bn barrier.

Foremost among these are the state of the world food market, the value of the dollar, the unpredictable nature of harvests and other factors making an accurate prediction impossible.

Nevertheless, the Commission itself it guessing that unfavourable prices for exports could add between Ecu 450m and Ecu 500m to the year end bill. To this must be added Ecu 675m carried over from unpaid support owed to farmers from last year.

Nevertheless, this overspending will have to be tolerated. The major question that remains is how much political will is there for further controls, price ceilings and even price cuts in 1985?

Assuming the British budget rebate problem is by that time resolved, the pressure for another gargantuan effort of collective political determination looks slight.

Bolstered by a substantial increase in new own resources, released through increased VAT payments, the incentive for squeezing member states' already bruised farm lobbies is certain to diminish markedly.

As the past few months have once again demonstrated, the EEC only seems capable of taking major decisions in a crisis.

HOW PRICE CHANGES COMPARE

(Average % change in prices paid to farmers)

	Expressed in ECUs	Expressed in national currency	Current inflation rate
Germany	−0.6	−0.6	3.3
France	−0.6	+5.0	7.2
Italy	−0.4	+6.4	10.6
Netherlands	−0.5	−0.5	3.1
Belgium	−0.6	+2.7	6.5
Luxembourg	−0.5	+2.8	7.7
UK	−0.6	−0.6	5.5
Ireland	−0.6	+2.7	9.0
Denmark	−0.7	+1.5	5.3
Greece*	+0.4	+17.6	20.0
Common Market	−0.5	+3.2	5.2

* Including the alignment of Greek prices with community prices.
Source: EEC Commission

Men and Matters

Rosen ventures abroad

Ben Rosen, now something of a legend on the Californian venture capital scene, was in London yesterday to launch the UK subsidiary of what is claimed to be the fastest growing company in U.S. corporate history—Compaq Computer Corporation.

Rosen offers no comment on reports that he has become a millionaire several times over since starting his venture capital company with L. J. Sevin (ex-head of Mostek, the semiconductor company) in 1981.

But he is chairman of Compaq and several other high-tech outfits. And Sevin Rosen, with offices in New York and Texas, has 25 new enterprises in its portfolio, is examining three applications a week, and currently has funds of $85m, of which only $35m have been invested.

Rosen's rise is perhaps the more remarkable because he is an engineer by training, not an accountant; though he did take time out to go to business school. He spiralled into the inside track of the electronics industry in 1976 by starting a newsletter which soon became essential reading for budding entrepreneurs.

Rosen spells out six elements that are essential ingredients of new high-tech companies: good management, compatibility with IBM, an acceptable family of products, ability to ramp up to high volume levels quickly, a good distribution network, and adequate on-going finance.

Compaq, by all accounts, has got all six. The turnover figures for the first four quarters of operation were $5m, $18m, $36m and $52m.

"The government is trying to get us an EEC grant to re-open as a milk bar"

Call of the wild

The World Wildlife Fund turns today to the somewhat unlikely source of the City of London for the new chairman of its UK organisation.

But Tim Walker, a director of investment managers Henderson Administration, has developed a youthful interest in wildlife to the point where his Wiltshire home now houses one of the largest private animal collections in Europe.

It includes several endangered species of wild animals and birds — the Przewalski wild horse, the Grevy zebra, and white-naped and wattled cranes.

Walker's enthusiasm was fired during army service in Africa—and refuelled during subsequent visits to the continent in the 1970s as he was making a career in the City first with Abbey Life and as a founder director of Hambro Life before joining Henderson.

He started his private zoo in 1976 to help preserve the Grevy zebra. "But concern with saving one rare animal rapidly widens into concern about its natural habitat, and then into an awareness of the importance of conservation generally for man himself," he says.

The UK fund, which has 75,000 members, raised £3m last year. Walker's immediate priority will be to boost that to £4m. "It is essential to get business to put more of its resources into conservation," he says.

Pharmaceutical companies, in particular, he suggests should be doing more to conserve the plant life from which so many of their profitable products are derived.

Taken aboard

Latest recruit to the good ship Enterprise, the Government's oil-company-in-waiting, due to be floated in the next month or two, is Martin Lovegrove.

Lovegrove, aged 33, started work at Enterprise yesterday without so much as an announcement. He has been seconded from brokers James Capel for six months to help the new board work out its corporate strategy.

That, so far as the City is concerned, is shorthand for mergers, since cash-rich Enterprise has what its known as a tax problem: too much taxable production and not enough tax-offsetting exploration.

Lovegrove, ex-BNOC and Wood Mackenzie, has some experience in these matters having attempted a couple of years ago, during his time as a consultant, to set up the little-known Zeus project.

Zeus was Lovegrove's grand design for marriage-broking the tax positions of the smaller North Sea players, especially what he calls "the hoteliers and yoghurt makers"—the non-oil specialists — into a more financially efficient whole. It failed, but even his competitors admit, it had much to be said for it.

Lovegrove is cautious about any suggestion that Zeus is about to be reborn, murmuring with impeccable corporate soundness that deals need to be based on more than good tax matching.

But on one point he has not changed his mind: "There will be a shake-out in the North Sea," he says, "and it will be the companies with the strongest asset bases and the best management which will survive."

It would have been invidious to ask him whether Enterprise qualifies.

Wide spread

Guernsey has loosened its road regulations a fraction to accommodate an embarrassing case of "middle-aged spread" that threatened its summer bus services.

The trouble began when Guernseybus, an offshoot of the UK-based Trafalgar Leisure International group, bought 12 ex-London Transport buses to replace the most venerable of its fleet of vehicles.

At first, the single-deck, 40-seaters seemed ideal. The steps were lower, the seats more comfortable, and the width of 7ft 6in complied exactly with the maximum allowed on the island roads.

Then it was found that the secondhand buses had acquired a bit more girth than their original specification because of engineering tolerances and settlement during their seven years of London life.

The extra width in some cases, as Guernseybus managing director, Barry Spears puts it, was "no more than a coat of paint." But the buses were banned from the roads.

Guernsey's parliament has now agreed that buses built to the 7ft 8in limit should be allowed a legal spread of up to ½in more.

Ruling the roost

Heard in Chelsea: "She's a very clever young woman—she married a night-owl and turned him into a homing pigeon."

Observer

Letters to the Editor

Companies and employees

From Mr A. Horne

Sir,—Mr McFarlane (March 30) is, of course, correct in stating that trades unions belong to their members while companies belong to their shareholders. It is naive, however, not to look beyond such platitudes and see that there are a variety of stakeholders in both unions and companies. Arguably unions are run by and for the benefit of their top elected officials just as companies are run by and for the benefit of their similarly elected directors. The great majority of shareholders passively and unquestioningly resign their interests in favour of those directors much to the relief of the latter.

There may well not be an analogy between greater democracy in trades unions and employers "getting the point about consultation" but that is no excuse for not having meaningful employee involvement. No doubt it would be better not to have a rigid statutory approach but there may be some truth in the idea that just as trades unions are having democracy foisted upon them because they refuse to reform themselves so the European Commission proposals for statutory measures on employee participation are on the table precisely because effective non-statutory consultative procedures in companies are few and far between.

Meaningful consultation, preferably of an informal nature, is not intended to undermine the right of management to manage, rather it should enhance it by giving managers the authority that stems from knowing that they have the real support of their staff rather than their apathetic acquiescence. As British Airways' Colin Marshall has said (see FT, February 22): "If people think you care, think you are emotionally committed to them, they will go to great lengths, even extremes, to get done what is necessary." That is surely in the interests of all stakeholders in a company be they shareholders, employees, suppliers or customers.

Andrew Horne,
Flat 3,
19 Beaufort Gardens, SW3.

Rents in enterprise zones

From Mr L. Tooke

Sir,—If D. B. Richardson (March 27) does not take advantage of the fact that some of his buildings are given a tax relief, then he must be a most unusual developer indeed. Or, of course, it might be the case that the advantage went to a previous owner.

I was not confusing new buildings with old buildings but was referring to position value. If shcools, bridges, motorways, ports, North Sea oil, railways and increased production can affect site values, then why not enterprise zones?

Those who regard site values as a justifiable private gain are being short-sighted, and those who fail to collect them are merely giving this advantage to others.

This, however, is not the only incongruity. Anticipation of this value causes speculation and this more than any other factor, is the cause of depressions.

Leonard A. Tooke,
32 Alameda Road,
Purbrook, Hants.

From Mr H. Law.

Sir,—If Mr Richardson's firm (March 27) is quoting similar rents for comparable properties both within and outside the Dudley enterprise zone then, either the rents quoted outside the zone are too high or his firm is forgoing the full market rent for the premises inside the zone. If the rents asked are too high, the premises will remain empty: there is a difference between quoted rents and what a tenant will actually pay.

Enterprise zone concessions have a market value which will inevitably be expressed in rent differentials between property inside the zones and that outside. If a property outside the zone is worth £2 a square foot, then a rate concession of 80p will raise the rental value of property in the zone to something approaching £2.80, all other things being equal.

Occasional aberrations in the market cannot be used as evidence that an economic law is not true.

Henry Law.
8 Woodhouse Road,
Hove, Sussex.

Trading outside regular hours

From Mr H. Woolf

Sir,—Mr J. D. Fletcher, Asda Stores (March 27), in support of Sunday trading in his spirited reply to Mr C. W. Paterson of the Retail Consortium, entirely confirms our views and experience, on trading outside regular hours, over a period of many years.

Those that argue that the "cake" cannot be made larger by a longer retail opening period and that the amount of spending power available to the public is, as if by magic, fixed, should perhaps extend their logic and consider closing an extra day or two or more to save costs.

What, after all, is so special about opening 5½ or 6 days, why not 5, 4, 3, 2 or ultimately one if the available money is fixed in amount? Shops could take it in turn to open say one or two days a week, perhaps supervised by the local authority so as to maintain a fair share of the "fixed" trade and, in deference to the logic, retail staff could go on a fully paid holiday for the rest of the week, costs such as lighting, heating and security would be cut to the bone, prices must fall, no one would suffer and many would be advantaged. But who would believe it?

Regarding the "domino" theory, that some shops open on Sundays, if allowed, would force all shops to open, few retailers take advantage of the present circumstances in central London which generally allow them to open until 8.00 pm. Although some shops open until this hour and later, the vast majority close at 6.00 pm. Where then is there any evidence that shops are forced to remain open by the actions of others? Those that choose to open late only do so because the provision of that service is commercially viable. If it is not, they do not.

H. Woolf,
Underwoods (Cash Chemists),
60 Kings Road, SW3.

Coca-Cola and Guatemala

From the General Secretary, International Union of Food and Allied Workers' Associations

Sir, — Certain points raised in the article "The end of civilisation in Guatemala" (March 3) call for correction and comment.

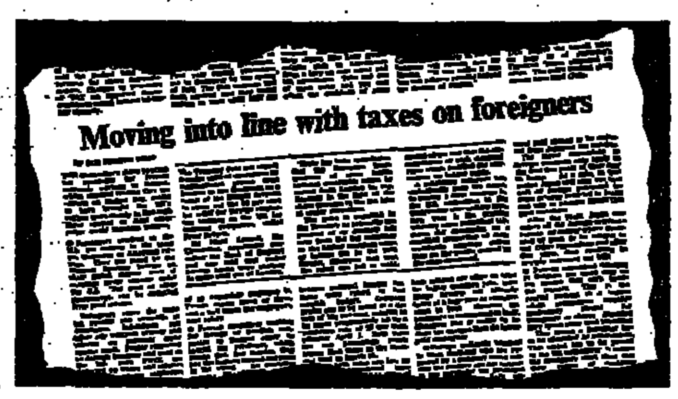
Contrary to what was implied, Coca-Cola is not pulling out of Guatemala. It operates two other plants in the country, one wholly owned at Retahuleu, the other a franchise at Puerto Barrios. Unlike EGSA, the plant in Guatemala City, both are non-union. The territory serviced by EGSA has been gradually taken over by the two other plants since last December.

The Panama-registered company "Administration and Investments of Central America," which owns EGSA, is a Coca-Cola front. It has been entirely financed by Coca-Cola, which remains its largest creditor and owns the plant and the machinery. Messrs. Zash (not Sasch) and Mendez, the shareholders of AICA, are former Coca-Cola employees who were sent by Coca-Cola to take over EGSA in order to meet the IUF demand for recognition and protection of the union in 1980. As for the question of the company going bust, to date, there has been no official filing for bankruptcy. We question that the company is, in fact, bankrupt.

The 460 workers, who were laid off on February 17 without previous consultation or warning, are in a very precarious position. They have been occupying the plant since February 18. As your article pointed out, the level of repression in Guatemala is again on the increase and therefore they are literally risking their lives.

The IUF will continue in its efforts to make the Coca-Cola company honour its agreement of July 1980.

Dan Gallin.
Rampe du Pont-Rouge 8,
CH-1213 Petit-Lancy, Geneva



Grossly unfair to foreigners

From Mr J. Rudolph

Sir,—You state (March 15) in your report "Moving into line with taxes on foreigners" that few other countries give foreigners any tax advantages. But the crucial point is that the British Government puts non-domiciled resident foreigners working for foreign companies at a great disadvantage.

Many foreigners still cannot deduct (from income) their life insurance premium paid to their insurance company at home.

Foreigners as a rule have to pay full National Insurance contributions and are refused contracted-out rates—though their companies' occupational pension schemes are quite good they are just not geared to the rigid requirements of British law. Many foreigners due to collective agreements in their countries have to pay a certain amount monthly into a professional pension scheme, no matter if they pay contributions elsewhere. Many foreigners still pay contributions into sickness insurance schemes in their home country because it is the rule there. They don't want to give it up because of the risk of being accepted again at a very much higher premium once they go back. Their contribution to the National Health Service is not much more than an additional tax. What a foreigner would get as old age pension from British NI might shrink—in terms of his own currency—to an amount not worth calling a "pension." For example against the Deutschemark the pound is now only worth one-third of what it was in the mid-1960s. Even during the two years up to March this year sterling has lost no less than 13 per cent against the Deutschemark. This is an unacceptable exchange risk.

Up to now the 25 per cent income tax allowance has been fair compensation for all this additional burden. If it is withdrawn it would be very unfair treatment.

Jochen Rudolph,
38, Heath View, N2.

Rules governing political funds

From Shelley Adams

Sir,—Your leader of March 26 on the Trade Union Bill misses the main point behind the proposed changes to the rules governing political funds. They are nothing to do with democracy—quite the opposite—they are concerned with gagging political opposition. True, you point out that the Bill could affect Labour Party funds—and it is cause for concern when a governing party takes such action against the Opposition, particularly when it declines, almost without comment, to put its own funding house in order. I refer to the totally inadequate controls over company political donations. Inadequate because neither shareholder nor purchaser has the right to make a choice about whether she/he wishes to contribute to Tory Party funds via the company. Inadequate too regarding disclosure of information, since many "political" donations escape the disclosure laws by being laundered through technically "non-political" organisations.

But the changes which you omit to mention and which give even more cause for concern are those which redefine political objects.

Under the present rules a union need only have a political fund if it wants to spend money on fairly tightly defined party political objects, such as supporting a particular candidate for election—set out in the *1913 Trade Union Act*. Unions without political funds are free to spend their money as they wish outside these specific objects. This means that if they want to campaign on general political matters of importance to their members they can cover the cost out of the general funds.

The Trade Union Bill will severely restrict unions' freedom of speech and action and their right to state publicly their opposition to government policies. This is because if a union spends money on any literature (amongst other things) which "seeks to persuade any person to vote or as the case may be, not to vote for a political candidate" then when the Bill is law such literature would have to be paid for out of the political fund. Unions without political funds could not lawfully spend money on such literature.

The wording of the Bill is sufficiently vague (now a traditional tactic of Tory anti-union legislation) to create confusion and havoc should any union be blessed with litigation—happy members who, as individuals, irrespective of the democratic wishes or all other members of the union, decide to challenge union expenditure.

But the more serious charge is that it seeks to gag the voice of opposition. It is, for example (as noted in committee proceedings on the Bill) likely that Nalgo's "put people first" campaign would have had to be paid for out of political funds—Nalgo does not have a political fund. Why, some 70 years after the Trade Union Act of 1913, is the Government suddenly so afraid of what trade unions may say, publish and argue for in defence of their members that it feels it necessary to impose a political gag?

Shelley Adams,
Brent Local Economy Resource Unit,
389 High Road, Willesden, NW10

Timing tax coding notices

From the Managing Director, Tungum Hydraulics.

Sir,—Sir Lawrence Airey (March 29) states very clearly the position regarding the timing of the issue of tax code notices. As always however, the burden of the extra work which enables the Inland Revenue to operate the system with the minimum of cost will, in Sir Lawrence's own words, be handled by the employers who appear to be all too often taken for granted as unpaid tax collectors.

Surely a more total approach to the problem of the issue of tax coding notices could be beneficial to the economy as a whole by devising a system which would minimise efforts by both the Inland Revenue and employers. This could be in line with the general view given by the Chancellor in his Budget of being in favour of reforming and smoothing out the operation of our tax systems over the next few years.

I would have thought that the sensible solution to this question would be for the Inland Revenue to issue its instructions to employers relating to incrementing tax codes resulting from Budget submissions between the date of the Budget and April 5. In this way, employers would only have to amend their records once rather than twice and the employees would have the benefit of the increased allowances at the proper time.

G. W. Barnfred,
The White House,
Arle, Cheltenham, Glos.

Housing benefit: talk about kicking those who are already down!

From Mrs S. Simpson

Sir,—I am a secretary who endeavours to read your paper every day at tea-break time after it is circulated to my two bosses. I buy it myself when on holiday, for I enjoy the way you present the news and give a very fair and balanced view, in my opinion, of all that is happening at home and abroad.

I wondered if you would like to print a reader's letter on how some of the other half live to bring to some of your readers the realities of life for the disadvantaged under this Government.

This was brought home to me by your story of March 26 on how the Government was forcing companies taking over some of the NHS functions to reduce the wages of some of the poorest paid in the country, and again on the TV news at lunchtime on March 27, which showed protests over the sacking of dinner ladies, who were to be offered re-employment at lower rates of pay.

What happened to my son last week comes under this heading, in my view. He is 19, has never had a job, but did a YOP course for six months some two years ago. He suffers from a psychiatric illness and was receiving supplementary benefit of £24.55 per week. Under the new housing benefit scheme, this has been reduced by £3.10. Talk about kicking those who are already down!

I suppose many extreme right-wingers among the Conservatives will say he's lucky to get any allowance, but he doesn't feel lucky and gets depressed very easily. The cut in benefit will affect us both, as he will give me less board and lodging and will have less to keep himself.

In spite of that, I for one would be willing to pay more income tax than I already do (the PAYE kind with none of the expenses that those with tax accountants can get for them) and I would also be willing to pay more rates from my salary (which would probably not keep some of your readers in wine for a week) just to have the less fortunate and sick keep the help they receive without cuts.

We seem to be becoming a nation of the selfish and the Government seems to be doing its best to keep those with no muscle in a sorry plight. Doing away with wages councils is just another example of putting the boot in on the low paid. I do hope the Government won't forget though that we still live in a democracy in spite of some freedoms being eroded (eg. Cheltenham GCHQ and not allowing local government, who are also elected, the right to decide locally how to manage their affairs). Any extreme Government, be it right or left, will find itself out of office when it tries to go too far. There are some in the Conservative party who see this, but they are replaced if in high office, or otherwise dealt with.

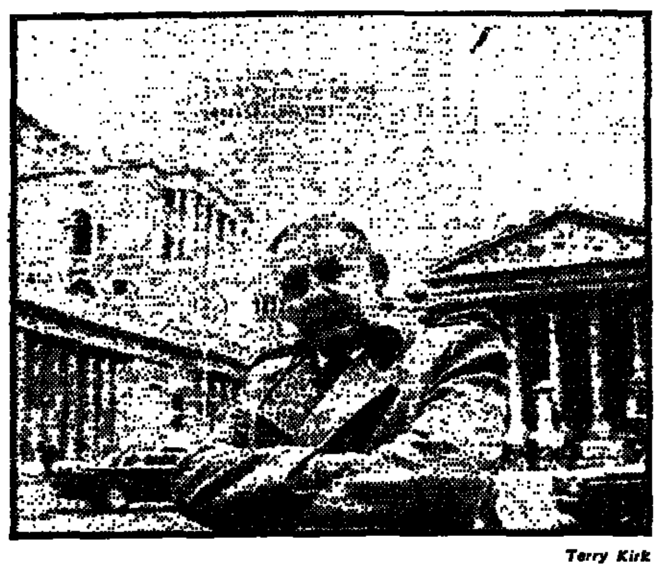
I am not a believer in handouts where not needed. I brought up three children in the 1970s as a single parent and managed to pay a small mortgage and my bills without recourse to free school dinners or rates rebates, etc, but I don't mind those who need help getting it. It is a much fairer thing than reductions in income tax for those who are lucky enough to have jobs.

(Mrs) S. V. Simpson.
107, Carrick Knowe Avenue,
Edinburgh.

Britain's Clearing Bank Union

Enter the radical

By Brian Groom, Labour Staff



Terry Kirk

Mr John Cousins, the new general secretary of the traditionally moderate Clearing Bank Union

THE MAIN English clearing banks, says Mr John Cousins, will not delay much longer their onslaught on staff numbers. "They won't do it with malevolence, but they will want to reap the benefit of their investment."

The banks hotly dispute this interpretation of their intentions towards their 239,000 staff. But as the electronic revolution based on automated payments systems begins to take shape, even some of the banks' most loyal employees are beginning to feel uneasy.

Many of them belong to the 97,000-member, non-TUC Clearing Bank Union. Mr Cousins, who became general secretary of the ultra-moderate union two months ago, believes that "if his members do not seize the future, the future will seize them."

Mr Cousins is as assertive as the CBU's members are by tradition meek. He cut his union teeth as an official of the Transport and General Workers' Union between 1963-75. His father, Frank, led the TGWU from 1965-69 and was Technology Minister from 1964 to 1966.

Aged 52, Mr Cousins joined the CBU from industry. Until recently he was director of personnel and industrial relations at John Brown Engineering. He has also been director of manpower and industrial relations at the National Economic Development Office and personnel director at Plessey. In choosing him, the CBU appears to be seeking to raise its low public profile.

He has radical ideas which may take some selling to a group of Britain's most conservative workers. Some bank executives believe the union was mad to pick him, and predict a fall for Mr Cousins down one of the many manholes which lie in his path.

"He thinks because he's got a strong presence and is a likeable man he can come in and change everything," said one banker. The CBU consists mainly of the individual staff unions at Barclays, NatWest and Lloyds, and much effective power has hitherto been within these rather than in the general secretary's office. The last incumbent, Mr Jack Britz, fell foul of this: he quit last year after policy differences with his executive.

Mr Cousins last week negotiated his first manhole without catastrophe, but at some cost to a goal he cherishes — solidarity between unions. After a row with the 156,000-member, TUC-affiliated Banking, Insurance and Finance Union, he described a Bifu/CBU merger as "further away than the Ice Age."

The row broke out when Bifu accepted an improved 5.25 per cent pay offer after confidential talks with the five main English clearing banks. This was in spite of a decision by the CBU to ballot members on industrial action—a step they had never previously taken—over a "final" 5 per cent offer.

"I am dismayed that my colleague in another union has entered into this sort of arrangement without consultation with me. I shall recommend to my senior colleagues in the CBU that this makes a merger impossible to create until such time as we can sit down and face the employers together. If we allow ourselves to be divided there is no hope for us," Mr Cousins said.

Earlier, he had been keen to revive the flagging merger initiative. But this now seems set to join all the previous efforts which have been swamped by the history of rivalry between the two unions.

It will not alter Mr Cousins' basic philosophy, and there are other unions with which the CBU could talk. White-collar unionism, he argues, is still littered with tiny staff associations and competing medium-to-large organisations often squabbling among themselves. It is as badly in need of unity as industrial workers were in the 1920s before Ernest Bevin's creation of the TGWU.

"I am not for one minute suggesting that I am in the mould of Bevin. I do not have his burning ambition. But someone is going to have to help bring all the fragmented bits together. If the unions do not get themselves together, they will get nobbled," he says.

"Someone once said, is not the TGWU too big? To an elephant, another elephant looks about right. If we are fragmented and tiny, we have not a cat in hell's chance of ever taking on the might of the powerful institutions."

The crucial question is: how on earth can a conservative union like the CBU provide the platform for a broad white-collar grouping in mainstream unionism? Its members have never been on strike, and are not even in the TUC.

The short-term effect of the rift with Bifu is likely to be another twist in the spiral of inter-union competition. It is difficult to see a Cousins-led CBU staying meekly within its present confines.

Bifu, which has grown steadily by mergers with staff associations but has recently suffered bad publicity because of a dispute with its own employees, will face stronger competition for members across a broader spectrum of the finance industry.

The rift will not alter Mr Cousins' conviction that the CBU must assert whatever strength it can gather. Advancing technology threatens to bring radical change to the once - paternalistic banking world, posing new challenges to the staff unions.

The banks play down the fears over job losses, pointing out that their combined staff numbers are at an all-time high. Increases in business have more than offset the impact of labour-saving technology, they say.

But the growth rate has slowed sharply since the 1960s and early 1970s, and even if this does not turn into decline, bankers accept that there will be great changes in the content of people's work.

Says Mr Cousins: "I am not sure whether the fifth generation thinking or analytic computer is a pipe-dream or not. But if it happened you wouldn't need bank people. You wouldn't even need bank managers. Technology would finally remove those decision-taking processes."

Like many other trade unionists, he would like stronger trade union influence over the application of future technology. "In the 21st century we will not be working a 35- or a 40-hour week, we will be working two or three days at most and probably only 20 hours."

Come what may, Mr Cousins will try to raise the CBU's profile. "It is the largest union in the clearing banks. It hasn't on my analysis played the leadership role. It has always been prepared to be the second union and I want to change that."

The CBU, formed from staff associations, is only four years old and still feeling its way. Its membership stuck at 93,000 for some time but last year it grew by 4,000, giving it more confidence. Says Mr Cousins: "It is potentially a very powerful force for making capitalist society work."

Whether its members want to be a powerful force of any kind remains to be seen. The decision to ballot on industrial action had Mr Cousins' personal stamp upon it, but even before it began bank executives were saying they believed the union was still a very long way away from winning such a vote.

FINANCIAL TIMES

Tuesday April 3 1984

NEW YORK WILL BE CRUCIAL TEST IN PRIMARY BATTLE

Underdog Hart strains at leash

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

"I AM the underdog, coming from behind." That is how Senator Gary Hart of Colorado has chosen to cast himself in the closing days of the great mauling and clawing battle for the state of New York – the outcome of which will be decided by the voters in today's Democratic primary.

The stakes in what has been pugnacious and often unedifying contest are exceedingly high. If former Vice-President Walter Mondale beats Mr Hart convincingly and then follows through with a victory in Pennsylvania in a week's time, he will open up a lead in the race for the presidential nomination that Mr Hart will find hard to overhaul.

If Mr Hart wins New York, he will deal another costly and humiliating blow to a Mondale campaign that has picked itself up and doggedly regained its stride since it was first sent reeling by Mr Hart five weeks ago in New Hampshire. Although defeat in New York will not mean the end of the road for either of them, both men badly need to win.

New York has 285 delegates out of the 1,967 needed to win the nomination at July's party convention in San Francisco, and is the biggest prize in the race so far. It is second only to California, which does not elect its 345 delegates until the end of the primary season in June. (Today, 252 convention seats are at stake, with 33 unpledged delegates to be chosen later by the New York state party committee).

But it is not just a question of numbers. New York contains a sample of virtually every kind of voter in the nation – from the upstate farms and mountain resorts to the rags and riches of Manhattan. It is a key state in any candidate's presidential strategy.

It is also a state that Mr Mondale, as the representative of the traditional Democratic constituency, ought to win. It is the most unionised state in the country, with a major unemployment problem, and Mr Mondale has the support of almost all the party's powerful establishment, including the two leading local heavyweights, Mr Mario Cuomo, state governor, and Mr Ed Koch, the New York City mayor.

The opinion polls have appeared to confirm both Mr Hart's own estimate of his chances and the now notorious volatility of this year's Democratic voters. Mr Hart was up to 18 points behind Mr Mondale 10 days ago, but narrowed the gap to 10 points and then to five last week, only to see it widen to 13 points at the weekend and then narrow again to 11 points yesterday.

All the signs are that people are not finally making up their minds until the very last minute. New York voters also have a long history of support for the underdog and independence from the political establishment.

In 1980, Senator Edward Kennedy closed an enormous gap in the final weekend and went on to a landslide upset over President Jimmy Carter. On Sunday, the canny Mr Koch said that, while he felt in his bones that one of the two would "win big," he could not say which one it would be.

It is not, of course, just a two-man race. The Rev Jesse Jackson, the third remaining candidate, is now publicly protesting, with considerable justification, that his two rivals are trying to squeeze him out. "Walter Mondale and Gary Hart," he told black voters angrily at the weekend, "would prefer to pretend that you and I do not exist."

Mr Mondale, perhaps, could be excused for wishing Mr Jackson out of the way. Many of the black voters who have turned out in throngs for Mr Jackson would otherwise have been Mondale supporters – Mr Hart has so far made little impact on blacks – and Mr Jackson looks set to score heavily again today. The latest poll showed him with an impressive and rising 22 per cent of the state's total vote.

To many New York voters, Mr Jackson's performance over the last few days has looked mature and dignified compared with the mudslinging antics of Mr Mondale and Mr Hart. The two leaders have been showing the emotional and physical strains of a tough and exhausting campaign.

Mr Mondale has sifted endlessly through Mr Hart's record and past pronouncements in an effort to highlight inconsistencies and what he calls "a peculiar pattern of mistakes and errors in foreign affairs." The two men came close to insulting each other publicly in a nationally televised debate last week, in which they both virtually ignored a cool and collected Mr Jackson.

Mr Hart has run a controversial but effective television advertisement featuring a burning fuse, in which he urges the viewer to remember Vietnam and suggests that Mr Mondale's Central American policies are just as likely as President Ronald Reagan's to draw the U.S. into another war.

British politicians angered by Community farm deal

By Peter Riddell, Political Editor, in London

THE British Government is facing mounting criticism over its handling of relations with the EEC from two sections of the ruling Conservative Parliamentary party – the long-standing opponents of Britain's membership of the Community, and members representing farming interests.

Mr Michael Jopling, Agriculture Minister, yesterday came under wide attack in the House of Commons over the weekend EEC farm deal. He claimed it was "fair and realistic" though he admitted it was doubtful whether agricultural spending in 1984 could easily be met within the budgetary provisions.

The European Reform Group of Conservative members opposed to Britain's EEC membership, which claims the sympathy of 40-50 MPs, is hoping to enlist the support of aggrieved farming MPs in order to resist any future increase in the Community's resources through a rise in the 1 per cent VAT ceiling.

Mr Jopling yesterday drew only lukewarm support even from pro-EEC MPs and there was outright hostility from many farming members. Sir Peter Mills, a former junior agriculture minister, warned of the possible "disastrous effects" on very small dairy farmers, while Mr Ralph Howell said there had been "a feeble settlement" as far as the dairy industry was concerned. Mr Neil Hamilton from Cheshire warned that a great many dairy farmers in Britain could go bankrupt.

Opposition agriculture spokesman Mr Robert Hughes said the deal was bad for farmers, consumers and taxpayers. He said it did not represent fundamental reform but was merely an exercise in book-keeping.

Mr Jopling said he would be discussing the details of the agreement with the National Farmers Union and the Milk Marketing Board, and promised farmers would be given information on the new super-levy on milk production as soon as possible.

Seeking a united stand on IDA, Page 2; Reforming EEC agricultural policy, Page 16; Commodities, Page 34

THE LEX COLUMN

Charity begins in Buenos Aires

Interest payments from Argentina began flowing into international banks yesterday for the first time since last October as the surprise rescue package launched on Friday night by the U.S. and four Latin American governments was implemented. But while the package has averted a crisis in the March balance sheets of U.S. banks, it has left some lenders feeling distinctly uncomfortable about its longer-term implications.

A positive feature is the willingness of Mexico, Brazil, Colombia and Venezuela to chip in with $300m of their own money to help keep the world's financial system on the rails. Now they, as well as bank lenders, have a vested interest in seeing that Argentina does carry out its promise to reach agreement on an economic adjustment programme with the International Monetary Fund (IMF). For banks with exposure to Latin America this is a very encouraging development. It shows that debtors are prepared to act together to support the combination of bank finance and IMF adjustment measures that have been used to patch up the debt crisis so far.

This has not been achieved without a price. Leading creditor banks have been obliged to come up with $100m of bridging finance at a tiny margin of ⅛ per cent over Libor. In the process, their resolve not to lend to Argentina without a prior IMF agreement has crumbled. This is a precedent which suggests that brinkmanship of the type Argentina has been displaying in dealing with its bankers can pay off.

The Latin American governments concerned must have known this when they proposed the package last week. By pushing it through they have weakened the longer term bargaining position of banks at the negotiating table in a way which is likely to accelerate the present trend to lower margins and longer maturities in future debt reschedulings.

Reuters

It was always one of the more hypothetical attractions of Reuters' shares that the company's exponential growth protected its earnings from UK corporation tax, setting it at an advantage over U.S. competitors such as Telerate. On the other hand it remained a puzzle how to value earnings which, although currently taxed at negligible rates, might suffer if the deferred tax were to become payable.

This embarrassment has now been removed by the budget, which has forced Reuters to provide fully for deferred tax in what is presumably the last set of preliminary accounts to be issued before the prospectus. On a simple comparison between the figures for 1983 and the previous year, the effect is stark; although pre-tax profits have moved by 50 per cent to £55.2m, the tax charge has jumped from 9 to 43 per cent, and earnings have dropped by £2m.

Moreover, Reuters has also provided £19.4m below the line for deferred tax relating to allowances taken in previous years. This will have the effect of smoothing out Reuters' tax affairs; the company can be floated on the basis that there will be no unrelieved depreciation in the profit and loss account as the new tax regime settles in. The implications for actually payable tax are hard to assess – depending as they do on future investment and profits – but stated tax over the next few years seems likely to stick near its new higher level. If the £1bn price tag is to prove near the mark, and if Reuters makes £75m before tax in 1984, the market may shortly be staring at a screen bearing a prospective multiple of 25.

Kleinwort Benson

Not so long ago, a prolonged silence from Kleinwort Benson during a period of rapid structural change would reasonably have been interpreted as evidence that the bank was dozing through the storm. But Kleinwort has recently been shaking off its image as one of London's more somnolent merchant banks and, while it has yet to make an announcement of the 29.9 per cent variety, is established yesterday that it was indeed wide awake.

The purchase of AGS, one of the 37 primary dealers in U.S. Government securities, provides the bank with both a solid encampment in the heart of the U.S. debt markets and a useful training ground for combat troops in the London securities industry. Kleinwort clearly envisages becoming a principal in the gilt-edged market when the rules permit, and the AGS deal should help to further that ambition.

The bank has concluded that dual capacity is likely to bring the London fixed-interest market closer to the model of Wall Street, a reasonable supposition, and is preparing itself accordingly. AGS has a remarkably flat profits record over the past three years, given the volume of Treasury funding, but Kleinwort is probably justified in paying a 50 per cent premium over the book value for one of the few remaining independent dealers. The U.S. authorities, meanwhile, have allowed one of the cogs in their monetary machine to pass into foreign ownership without a qualm – an interesting contrast to the Bank of England's protective approach to the discount houses.

Oxy may sell 15% of stake in UK oilfield

By Richard Johns in London

OCCIDENTAL Petroleum of the U.S. is exploring the possibility of selling up to 15 per cent of its 36.5 per cent interest in the Claymore oilfield in the North Sea, a disposal which could be worth more than £100m ($144m).

Occidental declined to comment but Anvil Petroleum yesterday admitted it was one of a number of British independent companies talking with Morgan Grenfell, the merchant bankers Occidental has asked to evaluate the market and sound out potential purchasers.

Charterhall also acknowledged that it was one of a group interested in buying production to help finance exploration and development costs, and Pict Petroleum is reported to be one of an "informal group" of nine involved in talks which are said to be "at an early stage." Their requirements and resources could be such that they would want no more than 10 per cent of Occidental's share of Claymore, according to analysts.

Occidental's Claymore holding has been considered a prime candidate for a "farm-out" operation of the kind undertaken by British Petroleum last year when it disposed of 12.25 per cent of its predominant share of Forties field, realising £338m in the process. The field is producing just over 100,000 barrels a day. But its partners – Getty Oil (23.5 per cent), International Thomson (20 per cent) and Allied Chemical (20 per cent) – could benefit from a dilution of their holdings.

All are paying a high marginal rate of tax on production from a mature field without having sufficient exploration and development costs to set against it. Occidental, in addition, is known to be reviewing its operations worldwide and is still in the process of defraying the debt incurred as a result of its takeover of City Services.

Anvil, Charterhall and Pict are all in need of North Sea output for tax reasons.

The 1984-85 UK budget tightened up on the taxation of asset transfers in the North Sea and has slightly reduced the attractions of "farm-ins." But there can be considerable benefits in acquiring producing interests if future exploration commitments involve a significant amount of expenditure and the company has no taxable income against which to offset them.

New deadline for Dome, Page 19

Workers' protests grow over French plan for steel cuts

BY PAUL BETTS IN PARIS

STEELWORKERS in the depressed French steel region of Lorraine blocked the Paris-Luxembourg railway line and raided the Socialist Party headquarters in Metz yesterday as the French Government's steel industry restructuring plans continued to cause increasing political tensions inside the French left.

Following M Georges Marchais, the French Communist Party Secretary General, who condemned the steel plan at the weekend, it was the turn yesterday of the regional authorities of Lorraine to attack the restructuring. The eastern region of Lorraine has come out worst under the plan, which involves up to 25,000 layoffs in the industry between now and 1987.

As an eloquent sign of the emotions the restructuring has provoked in Lorraine, the bishops of the cities of Metz and Nancy agreed yesterday to allow church bells throughout the region to ring in solidarity with the general strike in Lorraine organised for Wednesday.

The mayor of Amnéville also announced yesterday that his municipality was proposing to buy the hot rolling mill of Rombas, owned by the nationalised Sacilor steel group but due to be closed under the government steel plan. Dr Jean Kiffer, the mayor of the town, said the municipality envisaged operating the mill as a mixed public – private enterprise. He claimed the mill was a viable asset.

The latest wave of criticism and unrest was described yesterday by M Max Gallo, the Socialist Government official spokesman, as an attempt by some "to manipulate the drama for political ends."

The Mitterrand administration has so far indicated that it would not reconsider the plan. Indeed, the Government has shown a firm determination to press ahead with its tough economic austerity programme and unpopular industrial restructuring. Viscount Etienne Davignon, the EEC industry commissioner, expressed his support for the steel plan in a French newspaper interview yesterday.

But the Communists, the junior members of the French left-wing coalition, continued yesterday to attack the plan. M Marchais was due to outline his party's position on the controversial issue during a television interview last night.

The Communists at this stage appear reluctant to force a showdown with the Socialists, which could lead to their withdrawal from the French coalition. But the party is in an increasingly difficult position. Many political commentators in Paris describe the divisions between Communists and Socialists over the steel plan as the most serious rift between the two parties since the left came to power in France in May 1981.

W. German builders in pay deal

By Rupert Cornwell in Bonn

WEST GERMANY'S building workers have dealt a heavy blow to the campaign for a 35-hour working week by agreeing a 1984 national contract which offers a 3.3 per cent pay increase and the prospect of an earlier retirement age.

The deal between employers and nearly 1m construction industry workers was sealed in Frankfurt yesterday after four rounds of negotiations.

The contract, backdated to January, guarantees a pay increase that is fractionally higher than the anticipated rate of inflation of 3 per cent for 1984.

It is the most important crack so far in the German labour movement's over its facade of unity call for a cut from 40 to 35 hours in the basic working week.

The building workers are the first example of a major union preferring to build on the Government scheme to subsidise employers who allow workers to retire early at 58, rather than pursue the battle for a 35-hour week.

The new contract provides for further talks over an enlarged early retirement plan for the building industry. It stipulates that assuming agreement is reached, the working week in the sector will remain at 40 hours.

Distillers to buy its U.S. importer

BY RAY MAUGHAN IN LONDON

DISTILLERS Company (DCL), the leading supplier of Scotch whisky, is to pay about $250m for Somerset Importers of New York, one of DCL's biggest customers and the sole importer of its Johnnie Walker whisky and Tanqueray gin brands in the U.S.

Discussions started more than two months ago and, subject to its compliance with U.S. anti-trust laws, the deal should be completed later this month or in early May. DCL is now negotiating a syndicated dollar-denominated Euromarket loan to finance the acquisition.

Mr John Connell, chairman of DCL, said yesterday: "This very substantial investment will give us control over the destiny of the distributor of some of our most important brands and will bring Somerset's very considerable marketing skill into the group.

"These skills can be utilised not only in developing Somerset's existing products, but also new product lines."

Somerset has been associated with Johnnie Walker for over 50 years and was acquired by Esmark, a Chicago-based conglomerate, in July last year when it took over Norton Simon, the Max Factor and Avis car hire group.

The spirits distributor made pre-tax profits of $40m in the year to June 1983 and had contributed some 30 per cent to Norton Simon's total profits in the 12 months before Esmark took it over for $973m.

On that basis, industry analysts had expected DCL to pay at least $300m for Somerset but, although the acquisition is believed to double DCL's exposure to the wine industry, the outlook for U.S. spirits distribution has been clouded by the expectation that the Senate will impose a 19 per cent increase in federal excise tax early next year.

DCL's shares added 3p to 263p in London yesterday, 1p higher than when the acquisition was first outlined, to give the group a market value of £950m ($1.36bn).

Madrid to buy Roland missile

Continued from Page 1

against a hypothetical low-altitude air attack from North Africa.

In recent months it had been thought that friction between Paris and Madrid, particularly over the shelling of a Spanish trawler in French fishing waters last month, might tip the balance back in favour of the British option.

The deal, which comes after a long period of Spanish reliance on U.S. arms, is the second major stage in re-equipping the Spanish forces, following the choice of a new fighter aircraft.

A decision on a new battle tank, for which France and West Germany are competing, is pending.

The Roland missile is made jointly by Aerospatiale of France and Messerschmitt-Bölkow-Blohm of West Germany, and has already been sold to the U.S., Argentina, Brazil and Iraq.

Volvo opens merger talks with Clark

Continued from Page 1

The chief advantage for Volvo in the deal would be gaining access to the U.S. market, where it has only a very small presence.

Mr Erich Johanson, president of Volvo BM, said in a recent interview that anyone who pretended to be an international competitor could not forget about the U.S., which accounted for a third of world markets.

As part of its reorganisation programme, Clark closed four plants in 1982 and reduced its workforce by 1,500 last year. In addition, in 1982 it bought White Motor Credit and entered an agreement to finance Volvo White's U.S. truck dealers at a time when Volvo was buying up some of White's other assets.

Sales of Clark Michigan after the absorption of Euclid are expected to be around $400m a year. In 1983, Clark made net profits of $12.4m.

Kleinwort buys U.S. bond dealer

By David Lascelles in London

KLEINWORT BENSON, the UK's largest merchant banking group, is to buy ACLI Government Securities (AGS), a U.S. government bond dealer for $27.3m in cash. The deal will make it the first full foreign owner of one of the 37 primary dealers recognised by the Federal Reserve Board to make markets in U.S. Treasury securities.

The seller is Donaldson, Lufkin & Jenrette (DLJ), the Wall Street investment bank which bought AGS as part of a larger acquisition in 1981, but decided to sell it off because it duplicated its own government bond business. DLJ said last night that it intended to remain a Treasury bond dealer.

AGS, based in Chicago, has net assets of $18.2m and made $7.8m profit last year, though substantial charges back to DLJ reduced this to a net profit of $2.2m.

Mr Martin Jacomb, Kleinwort's vice-chairman, said the deal would give the banking group "a prominent position in the most important capital market in the world. It has significant implications for our expanding worldwide securities dealing business, as well as being a highly profitable and well regarded operation in its own right."

The deal is subject to the waiting period under U.S. anti-trust law. It did not need the approval of the Federal Reserve Board, but the New York Fed will place it on its list of approved dealers under its new name, Kleinwort Benson Government Securities Inc.

AGS employs 66 people, about half of them dealers and salesmen. Kleinwort will invest a further $1m by the end of this year to expand AGS's capital base and permit faster growth.

The decision to go for a U.S. firm contrasts with the recent series of domestic acquisitions by UK banks in the securities business. But Mr Jacomb said Kleinwort had a strategy of expanding into the U.S. market where it already has investment, corporate bond and bullion operations. He would not comment on whether Kleinwort was still interested in an acquisition in the UK.

See Lex, this page

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	11	52	Dubrovnik	C	18	64	Malaga	F	18	64	Salzburg	C	3	37
Akrotiri	S	19	66	Faro	C	16	61	Malta	S	18	64	Seoul	C	13	55
Algiers	S	20	68	Florence	C	14	57	Manila	C	36	97	Singapore	R	32	90
Amsterdam	F	6	43	Frankfurt	Sl	2	36	Miami	S	17	63	Stockholm	Sn	1	34
Athens	S	17	63	Funchal	C	18	64	Milan	R	6	43	Strasbourg	C	3	37
Bahrain	C	27	81	Geneva	C	4	39	Moscow	C	5	41	Sydney	C	24	75
Bangkok	C	35	95	Gibraltar	—	—	—	Munich	R	3	37	Taipei	C	23	73
Barcelona	F	16	61	Guernsey	F	5	41	Nairobi	—	—	—	Tangier	C	17	63
Beirut	—	—	—	Helsinki	Sn	0	32	Naples	R	11	32	Tehran	—	—	—
Belgrade	C	15	59	H. Kong	C	19	66	New Delhi	C	26	79	Tel Aviv	S	23	73
Berlin	R	2	36	Innsbruck	R	3	37	New York	S	6	43	Tenerife	S	22	72
Biarritz	F	9	48	Inverness	S	6	43	Nice	F	16	61	Tokyo	C	11	52
Blackpool	F	6	43	Istanbul	S	17	63	Oporto	D	14	57	Toronto	S	-1	30
Bordeaux	F	8	46	Jersey	S	5	41	Oslo	S	5	41	Tunis	F	18	64
Brussels	F	6	43	Jo'burg	C	20	68	Paris	F	6	43	Valencia	—	—	—
Budapest	F	12	54	Las Palmas	S	20	68	Prague	R	7	45	Venice	R	9	48
B. Aires	R	19	66	Lima	C	25	77	Reykjavik	C	7	45	Vienna	R	8	46
Cairo	C	25	77	Lisbon	C	16	61	Rio de J'o	C	29	84	Warsaw	R	9	48
Cape Town	—	—	—	Locarno	S	19	66	Rome	F	15	59	Zurich	C	6	43
Caracas	C	20	68	London	C	7	45								
Casablanca	F	18	64	Los Angeles	C	19	66								
Copenhagen	C	4	39	Luxembourg	Sn	1	34								
Corfu	F	18	64	Madrid	C	16	61								
Dublin	S	6	43	Majorca	F	18	64								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday April 3 1984

Cross-currency loan packages cut cost of borrowing

BY PAUL TAYLOR IN NEW YORK

IT IS 10.30am in New York, 3.30pm in London, 4.30pm in Paris and 2.30am the next day in Sydney. The telephone and telex lines to Salomon Brothers' Manhattan headquarters are buzzing, as the final touches are put to a complex $43.5m cross-currency interest rate swap deal.

For two years now deals such as this have been gaining popularity in financial markets, prompting the employment of full-time specialists at many banks. Their objective: to help borrowers raise funds on the terms they require, and in the currency they prefer, without being constrained by the day-to-day vagaries of different markets.

The deal described involved the Council of Europe's Resettlement Fund, based in Paris, the National Australia Bank, a U.S. savings and loan association and investors in Switzerland, the U.S. and the Pacific Basin.

By the close the Council of Europe was estimated to have saved more than $2.5m in interest. The Australian bank had opened up a new credit source. The U.S.-based S & L had converted a floating rate liability into a fixed rate liability more closely matching its assets. Salomon Brothers, the Wall Street investment bank, had earned an "interesting and profitable" commission.

The deal exploited the advantage one borrower has in one market against that of a second borrower with a similar credit rating in a different market.

The starting point for the transaction was that the Council of Europe wanted to borrow in low-coupon markets – like the Swiss franc foreign bond. The Council, however, has been a frequent borrower in the Swiss market and concluded that it would have had to pay a premium if it had gone there directly.

By contrast, the National Australia Bank could, as a new borrower, command a good coupon rate in the Swiss market, would benefit from the market exposure, but wanted floating rate dollars.

The resulting deal was put together by Mr Neil Benedict, the English-born vice president of Salomon's International Capital Markets Services Group in the Wall Street firm's corporate finance department. It ran like this:

Stage 1: U.S. dollar private placement for the Council of Europe. Salomon Brothers arranged a $43.5m fixed-rate private placement on undisclosed terms with Pacific Basin investors.

Stage 2: public offering of Swiss francs for the National Australia Bank. Credit Suisse, as lead manager, arranged a 10-year SwFr 100m public bond issue in Switzerland at the fixed rate of 5¾ per cent on behalf of the bank.

Stage 3: currency and interest swap in which U.S. dollars are exchanged for Swiss francs. Salomon arranged a deal in which the Council of Europe received U.S. dollars, each side taking on the other's interest rate commitments.

Stage 4: interest rate swap in which the dollar fixed interest rate commitment is swapped for a floating rate commitment. Salomon arranged a deal between the National Australia bank, in which the bank wound up with a floating rate liability tied to the London interbank offered rate (Libor), while the S & L ended up with a fixed-rate liability.

In practice, the final stages took place simultaneously, with Mr Benedict, Mr Roger Vanden Branden, Governor of the Council of Europe; and a senior executive of the Australian bank, all sitting in London, and Mr Michael Portington of Salomon sitting in New York talking to Salomon's Sydney and London offices and to the unnamed S & L.

At the close, the liabilities for each of the participants remain in the initial currency but are fully hedged forward since both the principal and the interest payments are made by the assuming partner in the transaction.

While this particular sequence of transactions is one of a very few which the participants have been willing to make public, deals like it have become the bread and butter of a large segment of the international capital market.

Mr Benedict says Salomon itself has arranged about 10 similar transactions in the last six months using the Swiss franc market alone. Other recent deals have involved such U.S. corporations as Hospital Corporation of America, linking with an Austrian government agency.

The cross-currency interest rate swap began to make itself felt with an IBM and World Bank deal in 1980, in which the U.S. computer giant was concerned to lock itself into a currency gain.

Nevertheless, Mr Benedict says the Council of Europe deal represents a "classic example of real benefits to be derived by issuers and investors through the innovative use of integrated world financial markets."

For the moment many such deals revolve around the Swiss franc market because of its particular investor selectivity and low nominal interest levels, although Mr Benedict accepts that this could change as investor perspectives shift.

The potential for such deals – where everyone apparently gains – is highlighted by the fact that last month Salomon conducted a study on behalf of one U.S. corporation and discovered six potential markets where borrowing would have been cheaper than in the currently depressed U.S. credit market.

International capital markets, Page 36

Icahn in new bid for ACF Industries

By Our New York Staff

THE BATTLE for control of ACF Industries, the U.S. shipping, railway rolling stock and energy group, heated up again yesterday after an investor group led by Mr Carl Icahn, one of Wall Street's leading abitrageurs, bid $33 a share, or a total of $455.8m, for the company.

The latest bid, the second involving Mr Icahn, who owns 27.3 per cent of ACF, tops an earlier agreed bid of $30 a share or $424m from WACF Holding Company, a privately held company formed to acquire ACF by a group of investors led by the private investment banking firm of E. M. Warburg, Pincus and Company.

ACF confirmed yesterday that it had received a letter from Condor Investors Associates Limited Partnership, which is controlled by Mr Icahn, proposing to acquire ACF for $33 a share subject to certain conditions.

Last month ACF entered into a definitive merger agreement with WACF Holding Company for a leveraged buyout valued at $424m. That offer is due to be voted on by shareholders on April 25.

Tandy plans $355m share buyback

By Terry Dodsworth in New York

TANDY Corporation, the largest U.S. electronics retailing company, is proposing to buy in around one-tenth of its equity for about $355m.

The move follows similar programmes by other U.S. companies and reflects a general industry desire to increase earnings per share while utilising excess cash for which no specific projects have been earmarked.

Tandy's last balance sheet – as of June 1983 – showed cash and short-term investments of $280m against only $168m in mid-1982. In the first six months of the present fiscal year, Tandy has earned $160.9m, or $1.54 a share, on sales of $1.5bn. This compares with net income of $146m, or $1.41 a share, in the same period of the previous year, on sales of $1.3bn.

At the end of 1983, Tandy had 104m shares outstanding, and under the deal announced yesterday will be offering $35.50 each for 10m shares. It may accept an additional 5m shares, but reserves the right to withdraw the offer if less than 6m shares are tendered.

Massey-Ferguson cuts loss sharply

BY BERNARD SIMON IN TORONTO

MASSEY-FERGUSON, the troubled Canadian manufacturer of farm and industrial machinery and diesel engines, reduced its net loss to $68m in the year to January 31 from $413.2m in the 12 months to October 31 1982, despite the continued weakness of its main markets.

The net loss per common share was cut from $8.95 to 93 cents. Massey reports in U.S. dollars.

Sales dropped by a quarter last year to $1.5bn, although 1982 figures included sales of Latin American subsidiaries which have since been deconsolidated. Excluding these operations, revenues fell by 15 per cent last year, with the largest decline suffered by operations in Africa, Asia and Australasia. Diesel engine sales slumped by 39 per cent in 1983.

The company said it was able to cut its net losses by reducing costs and restructuring its operations. Interest charges were halved last year to $89.7m, while marketing and administrative costs declined to 14.2 per cent of sales from 16.9 per cent in the 1982 financial year. Cash flow from operations was positive for the third successive year.

Mr Victor Rice, Massey-Ferguson's chairman, said he expected a "further improvement" in results this year. "We are still biting the bullet, still cutting costs and still demanding more results from few assets" he said. Sales in the three months to January 31 rose to $362m, 16 per cent higher than the same quarter last year. The net quarterly loss was reduced to $26.9m from $94.4m.

New deadline for Dome

BY OUR TORONTO CORRESPONDENT

FIVE JAPANESE utilities have given Dome Petroleum, the Canadian energy conglomerate, a nine-month extension for conclusion of a sales contract for liquefied natural gas (LNG) from Dome's proposed C$1.8bn ($1.4bn) gas project in British Columbia.

Dome asked for a 12-month extension, but the Japanese have agreed to move the deadline, already adjusted three times, only to October 31. Deliveries from the project are scheduled to start in 1986, but work has been delayed by Dome's continuing financial problems and difficulties in obtaining official permission for LNG exports. Dome has an 80 per cent stake in the venture and its partners include the Japanese group Nissho-Iwai.

The extension granted by the Japanese utilities is understood to carry several conditions, including completion of negotiations for Canadian export permits, the rescheduling of Dome's C$6.2bn debts, agreement to finance and build gas pipelines from the project and for bringing new partners into the venture. Dome would like to reduce its interest to around 30 per cent as part of its efforts to strengthen its financial position by disposing of assets.

Nutricia profits up 21%

By Walter Ellis in Amsterdam

NUTRICIA, the Dutch-based foodstuffs group which has subsidiaries throughout Western Europe, lifted its 1983 earnings by 21 per cent, to just over Fl 22m ($7.5m).

Sales were up by 5 per cent, to Fl 575m, with most of the increase coming in the second half. The profit on ordinary activities (operating profit plus net financial income and expenses) shows an increase for the year of 25 per cent. Tax went up, however, from 39.7 per cent of gross earnings to 42.3 per cent.

Nutricia has proposed a 1983 dividend of Fl 3.80, against Fl 3.40 for 1982. Because of a slight increase in share capital last year, earnings per share rose by 18 per cent, and not the 21 per cent applying to the overall result.

KNP, the Dutch paper manufacturer, has expressed "considerable optimism" about its prospects for 1984.

Net profits last year were Fl 36.4m ($12.5m), representing an improvement over 1982 of no less than 325 per cent. The directors plan a dividend for the year of Fl 3.50, up Fl 2 on 1982.

Operating profit in the first half of this year is expected to be well up on the Fl 8.8m achieved from January to June last year, and KNP is forecasting a six-month result in excess of Fl 15m.

Last year's total operating profit of Fl 24.6m was boosted by extraordinary gains of nearly Fl 12m from restructuring operations. At the same time, share capital was up, in part because of the early repayment of a subordinated bond, from Fl 292m to Fl 351m.

Earlier this year Mr F. J. de Wit, chairman of KNP, said a strong pick-up in demand for paper in the U.S. had begun to offset the glut of paper available in Europe.

Financial debut in Portugal

By Diana Smith in Lisbon

COMPANHIA de Investmentos e Servicios Financiaras (CISF), Portugal's first fee-based financial company, is being launched this week.

The event marks the Portuguese debut of Japan's Sumitomo Bank, which holds 10 per cent of CISF and an expansion of activities in the country by Britain's Lloyds Bank International, also with 10 per cent.

CISF plans to deal in the increasingly diversified bonds that many Portuguese public companies are using to raise capital; and it hopes to spur on the somnolent domestic stock market by persuading private companies to go public.

Two of CISF's founders, Sr Tavares Moreira and Sr Vaz Mascarenhas, both former officers of the National Savings Bank, hope to nudge the authorities into developing liberalised foreign exchange and money markets to replace the present tightly controlled systems.

CISF numbers two nationalised Portuguese banks – Banco Nacional Ultramarino and Banco Fonsecas e Burnay, each with 10 per cent – and three insurance companies among its shareholders. A further 12 companies, including construction and retail groups, together hold 29.5 per cent and individual shareholders hold 19 per cent.

The company had trouble getting permission to operate because its aims fell outside the limited range of investment and leasing companies allowed to operate since 1980 in a sector dominated by nationalised banks.

It finally skirted the problem by adding "investment" to its title and medium-term lending to its activities, thus qualifying as an investment company.

Snamprogetti nearly doubles earnings

BY JAMES BUXTON IN ROME

SNAMPROGETTI, the engineering and contracting subsidiary of ENI, the Italian state energy corporation, almost doubled its profits for 1983. Net profits were L15bn ($9.3m) on sales of L743bn compared with profits of L8.5bn and sales of L732bn in 1982.

The company ended 1983 with an order book worth L1,600bn after a year in which it won a series of major contracts, including one for a gas pipeline in Nigeria, a refinery expansion project in the same country, a crude oil treatment plant and 1,500 km oil pipeline in Sudan, and a project to boost the capacity of the Netherlands-Italy gas pipeline.

Saipem, Snamprogetti's sister company which concentrates on drilling and pipelaying, confirmed earlier forecasts by reporting a L51.7bn net profit on the 1983 consolidated activities of the whole group, including its minority participation. Total turnover for the group was L1,422bn, and the company's order book stood at L4,491bn at the end of 1983, a 32 per cent increase on 1982. The sales of the parent company, Saipem SpA amounted to L1,066bn, with a net profit of L35.6bn after allocating L133bn to depreciation.

Saipem is to increase its capital from L120bn to L150bn and float the new shares on the Milan stock exchange, where Saipem has applied for a quotation. The operation is expected to bring in about L120bn.

CMC, the Ravenna based co-operative which is one of Italy's major construction companies, last year made a profit of 2 per cent on sales of L268bn, of which L117bn was related to work carried out in Italy. The company forecast sales of L220bn and a profit of 2.4 per cent for 1984. Capital is being doubled from L2,694bn to L5,230bn.

Norwegian insurer advances

By Fay Gjester in Oslo

STOREBRAND-NORDEN, Norway's largest insurance group, doubled pre-tax profits last year – to NKr 216m ($28.8m) from NKr 108m in 1982 – and is increasing its dividend by NKr 1 to NKr 13. Earnings per share rose by 50 per cent – from NKr 27 to NKr 39.

The 1983 annual report says profits from activities in Norway continued to grow last year, but foreign business still showed a loss.

Gross premium income in the non-life sector was 12 per cent up, at NKr 5.25bn. The life insurance company in the group, Storebrand-Norden Liv, reports a 19 per cent rise in premium income to NKr 915m.

The board is seeking approval for a one-for-five rights issue at 175 per cent of par, which would boost share capital by NKr 104m to NKr 620m.

Treca bids for Dunlop subsidiary

By Paul Betts in Paris

A FRENCH manufacturer of bedding equipment and car seats has put in a last minute bid to takeover the Dunlopillo mattress and car seat operations of Dunlop France.

The French company, Treca, which is privately held, confirmed that it had made an offer yesterday as the deadline over the future of Dunlop's French operations was closing in. The French Government has been seeking counter-offers from French and European concerns for Dunlop's French activities as an alternative to a fresh takeover bid for these operations from Sumitomo Rubber of Japan.

The bedding group said it was interested in the Dunlopillo facility at Mantes near Paris. But it also said it clearly could not consider nor was interested in Dunlop's French tyre manufacturing operations.

Mixed results for foreign oil companies in Japan

TOKYO — Six Shell companies in Japan have posted a 58.9 per cent gain in aggregate net profits to Y22.58bn ($100m) for 1983.

The companies included are Shell Kosan, Shell Sekiyu, Shell Kagaku, Shell Sempaku, Kabushiki Kaisha Rising Sun, and Billiton Metals Japan. Shell also owns 50 per cent of refiner Showa Oil, of which figures are not consolidated.

Profits before tax and extraordinary items swung to a gain of Y24.2bn from a loss of Y6.41bn in 1982, but sales proceeds fell by 13.6 per cent to Y1,248bn. Sales volume for oil declined by 6.6 per cent to 16.299m kilolitres.

The decrease in sales proceeds came from fierce competition and a slide in market prices which exceeded crude oil price cuts.

Despite the lower proceeds, the companies reduced the cost of oil sold helped by favourable exchange rates.

Esso Sekiyu and Mobil Sekiyu have also posted gains in unconsolidated net earnings for 1983 despite declines in sales.

Esso Sekiyu, which is wholly owned by Esso Eastern, a unit of Exxon of the U.S., posted net earnings of Y14.62bn, up 0.4 per cent from Y14.56bn in 1982.

However, profits before tax and extraordinary items fell 4.1 per cent to Y25.72bn, and sales revenues dropped by 12.5 per cent to Y950bn.

The dividend total is raised to Y7,309 a share from Y7,250 a year earlier.

Mobil Sekiyu, which is wholly owned by Mobil Petroleum of the U.S., posted a net profit of Y20.07bn, up 116.8 per cent. Pre-tax profits were Y18.39bn, up 3.3 per cent, but sales fell by 10.1 per cent to Y1,042bn.

The dividend total is lifted to Y13,609 a share from Y10,000 in 1982.

Esso Sekiyu's sales fell mainly because of a decrease in sales volume of oil products and declines in prices of crude oil and oil products. Sales volume fell 3.0 per cent to 11.504m kilolitres from 11.864m kilolitres a year earlier.

The company's net profit showed a slight gain, despite the decline in sales, because of reduced corporate taxes.

Mobil Sekiyu's sharp rise in its net surplus came from extraordinary profits of Y8.604bn. Total sales volume of oil products edged down by 1 per cent to 13.498m kilolitres.

AP-DJ

Downturn in profits at Intraco

By Chris Sherwell in Singapore

INTRACO, the publicly-quoted trading company in which the Singapore Government has a substantial minority stake, has reported pre-tax profits of S$7.06m (US$3.4m), down 37.4 per cent, for the year to December, despite a 5.2 per cent rise in turnover to S$262m.

The company warns that its 1984 performance is likely to be similar. Although second-half profits last year were better than those of the first, the company says that first quarter trading conditions this year remained sluggish.

Net profits attributable to shareholders were S$4.7m, down 32.8 per cent despite the sale of investments. The directors have recommended an annual dividend of 10 cents a share, the same as last year, representing a payout of S$4.5m which is higher than last year because the company's share capital has been increased from S$40m to S$75m.

Australia to restructure bank

CANBERRA—Australia's government-owned Commonwealth Banking group is to be restructured, Mr Paul Keating, the Federal Treasurer, said yesterday.

The Government plans to make the Commonwealth Savings Bank a wholly-owned subsidiary of the Commonwealth Trading Bank and to rename the trading bank the Commonwealth Bank of Australia.

In addition the capital position of the new bank will be bolstered by transferring A$75m in *Commonwealth Development* Bank reserves to the restructured bank.

Mr Keating said the Government also plans to reduce to 45 per cent from 50 per cent the share of profits the Commonwealth Bank must pay in dividends to the Government and make the Commonwealth Development Bank subject to company income tax.

The moves are designed to modernise the structure of the bank and make it more competitive with Australia's commercial banks.

The trading bank, with assets estimated at A$10.5bn is the fourth largest bank in Australia. In the year ended June 30, 1983, *the Commonwealth Banking* Corporation had a profit of A$152.8m with A$47.5m coming from the trading bank and A$68.2m from the savings bank.

● The Victorian Supreme Court has ruled that all share transactions in Monarch Petroleum NL and other Magnet group companies made after 11:01 AEST on March 14 are void.

This was the time that a forged letter was issued to Australian stock exchanges claiming that Monarch had regained part of a former stake *in the major Jabiru oil* find in the Timor Sea in an out-of-court settlement of a legal action.

Monarch shares doubled to 40 *cents in a hectic half-hour's* trading before the forgery was detected and Magnet group share trading was suspended.

Agencies

Revival plan for Thai United Trust

BANGKOK — Laem Thong Bank has agreed to join the state-owned Krung Thai Bank and two other Thai companies in a plan to revive Thai United Trust, which was forced to suspend its operations last year.

Laem Thong Bank said the Bank of Thailand has approved its rescue plan, which calls for an increase of Thai United Trust's registered capital to 250m baht (U.S.$10.9m) from 100m baht.

Thai United Trust was hit by a run on its deposits last year after the collapse of several other finance companies.

Krung Thai will provide 50m baht of the additional capital and Laem Thong and the two other companies, Thai Life Insurance and Bara Windsor, will provide the rest.

The four companies have agreed to assume all of Thai United's debts totalling 1.16m baht, mostly in the form of notes owed to individual depositors. The debts will be repaid with a 6 per cent interest stretching up to five years for depositors of amounts over 1m baht.

Reuter

Name change for Mercedes unit

BY OUR JOHANNESBURG CORRESPONDENT

MERCEDES BENZ the West German car manufacturer has announced that the name of its 50.1 per cent owned South African subsidiary is to be changed from United Car and Diesel Distributors (UCDD) to Mercedes Benz of South Africa. The name change follows the increase earlier this year in Mercedes' interest in the company after the previously largest shareholder, Volkskas, the banking group, declined to follow in full a R30m rights issue. Volkskas now has 26.5 per cent of the subsidiary's equity and the Ernst Gohner Foundation of Switzerland 23.4 per cent.

The company sold cars, trucks and buses worth R693m ($561m) last year and is second only to Toyota in the South African motor market. In terms of vehicles sold Mercedes had 6.9 per cent of the total South African vehicle market but its share of sales revenue was 13.8 per cent. By way of comparison Toyota sold 92,386 vehicles worth R951m. It had 19 per cent of the market by value and 22.8 per cent by volume.

The South African operation is the largest Mercedes division outside Germany and represents a total investment of R240m. The company expects to spend a further R140m over the next five years in South Africa largely on expanding its dealer network. The company's factory at East London employs 4,500.

BIDS AND DEALS

Bristol Oil sells BW Mud to management

Bristol Oil & Minerals, the former KCA International Group headed by Mr Paul Bristol, has signed a conditional contract to sell its BW Mud subsidiary to that company's management for £4.16m—£3.56m above book value.

This sale is in line with Bristol's strategy of disposing of businesses which are peripheral or unrelated to its main activity of oil, gas and minerals exploration and production, the company said.

Shareholders will be asked to approve the transaction at an extraordinary meeting on April 26.

Mr Ian Hunter, an executive director of Mud, and two colleagues, Mr Roy Daynes and Mr John Walls have, with institutional backing, formed a new company, Orite, to buy the UK Mud business of BW Mud. Orite will take over the creditors and bank overdraft of Mud.

The Bristol circular to shareholders revealed the company paid £39,500 to Mr R. A. D. Broadhead, a former director, and £25,000 to Mr M. B. Campbell, another former director, for loss of office.

W. G. Allen

W. G. Allen and Sons (Tipton) has purchased Burgess and Co (Engineers) and B and E Boilers from Richardson Westgarth for £164,000 in cash. In addition Allen will be providing £650,000 of loan capital to Burgess to enable it to pay a special dividend of £627,749 to Richardsons. The purchase represents a significant strengthening of Allen's boiler interests.

Fitch acquires Booker offshoot

BY RAY MAUGHAN

TWO FOOD groups, each cash-rich after recent major disposals, continued their respective programmes of restructuring yesterday when Fitch Lovell acquired Parrish & Fenn, a speciality food distribution company, from Booker McConnell for £3m.

Parrish & Fenn produced taxable profits, before central management charges, of £588,000 for Booker in 1983 on sales of just over £11m. Net worth at end-December was £750,000.

Booker has sold its Fletcher Sutcliffe Wild mining equipment subsidiary and its spirits and liqueur interests over the last year while strengthening its food retailing activities through a £13m takeover of Bishops Group.

Fitch on the other hand, has sold Keymarkets, its principal food retailing subsidiary, to Dee Corporation, formerly Linfood Holdings, and added to its meat manufacturing and speciality food distribution businesses by acquiring W. A. Turner and PH Foods.

Parrish & Fenn, founded some 15 years ago, is described as a "natural fit" for Fitch and distributes Jacksons of Piccadilly teas, the Barilla range of pasta and Escoffier sauces.

Fitch, meanwhile remains on the acquisition trail although the chairman, Mr Geoffrey Hankins, warned yesterday that "we will not pay fancy prices."

SHARE STAKES

C. and W. Walker—General Investors and Trustees has disposed of its holding of 221,251 ordinary shares, which constituted 5.51 per cent of the issued share capital. River and Mercantile Trust sold 100,000 ordinary shares, reducing its holding to 125,000 shares (3.11 per cent).

BICC—Lord Pennock, following exercise of share options, sold 39,018 ordinary shares.

Alva Investment Trust — Temple Bar Investment Trust has purchased in the market 328,500 ordinary shares, this takes its holding to 520,500 shares (39.74 per cent of the issued ordinary share capital). London Trust has disposed of its total holding of 322,500 ordinary shares (19 per cent).

George Dew—Scottish American Investment Company's interest in the issued ordinary share capital is now 885,000 shares (11.06 per cent); previously 800,000 shares (10 per cent).

Breox Engineering — Casson has disposed of 300,000 ordinary shares and now has 800,000 shares (8.4 per cent).

Jove Investment Trust—Seligmann Rayner and Co is interested in 1,830,000 shares, including 480,000 shares over which they have discretionary control on behalf of clients. The individual partners of Seligmann, and their families are interested in the following shares (including the 1,830,000 shares referred to above). Mr R. R. Harris 1,865,000, Mr P. Hart 1,850,000, Mr R. H. Cutts 1,830,000 and Jascon 1,830,000

Powell in quarry deal with Amey Roadstone

Powell Duffryn, the diversified industrial group, has agreed to merge its quarrying and concrete brick-making operations with some of Amey Roadstone's similar interests in Wales.

Announcing the deal yesterday, Powell said it expects to receive £10m cash through the release of working capital and an unspecified cash payment from Amey, a Consolidated Gold Fields subsidiary.

Both companies stressed the complementary nature of the quarries and plants to be included in a new joint company, to be called ARC-Powell Duffryn, which they will own equally. A Powell spokesman said the venture was the best way for it to stay in the highly competitive quarrying business.

He said that the agreement had nothing to do with Hanson Trust's purchase, disclosed in January, of a 4.55 per cent stake in Powell. Hanson recently won a bitterly contested battle to acquire London Brick.

Powell said its share of the profits from the new company was expected to be close to its current profits from the operations to be merged. Mr Hugh Parry, an Amey director who until recently was finance director, said both sides of the new venture were currently in the black.

The new company, to be managed by Amey and based in Aberdare, will have annual turnover of about £40m and will employ about 750 people. Mr Parry said there were no plans to close any of the operations to be merged, but that there could be a few redundancies among administrative staff because of the concentration of management at Aberdare.

Powell's 10 limestone quarries and three brickworks will complement the two hardstone quarries and nine premix concrete plants now owned by Amey. Their combination will allow the new company to offer a fuller package to customers, Mr Parry said.

Municipal Props.

Attributable profits at Municipal Properties moved up from £142,458 to £186,248 for 1983. The net single dividend has been lifted from 9.07p to 9.98p.

Tax amounted to £181,235 (£161,200) and earnings per 50p share increased from 29.44p to 38.48p.

Turnover, comprising rents receivable, came to £418,865 compared with £381,500.

Current valuation of properties held is £7.9m, cost £3.09m (£7.09m, cost £2.74m).

Profits were struck after surplus of £149,723 (£85,928) before tax, from property sales by the dealing subsidiary. *Surplus on sales of property and* investments by the holding company amounted to £334,735 (£321,365) net of tax, credited to reserves.

Collier offer

Applications were received for 3.55m "A" shares in Collier Holdings. All will receive a minimum of 1,000 shares and those applications in excess of 2,400 shares have been reduced by about 59 per cent.

Employees and their immediate families were offered 2.05m shares at 10.2p each. Mr David Simons, the finance director, says the management is "absolutely delighted" by the response to the buyout plans. Some 27.5 per cent of the shares will now be held by the directors and employees.

Racal-Milgo

Florida based Racal-Milgo finished the year to March 31 1984 was record revenues, exceeding $240m, and aims to break the $300m barrier in the next 12 month period.

With these results, the U.S. division will represent more than half of the $450m annual revenues of Racal's worldwide data communications group, which also includes companies in California and the UK.

Kakuzi

Following discussions with the Kenya Central Bank, Kakuzi, coffee and teagrower and cattle rancher, must seek approval before declaring dividends and despatching warrants to overseas shareholders. Permission was not required previously.

Sangers Photographic

As part of the continued movement towards strengthening distribution operations, Sangers Photographic is centralising all warehousing facilities within its Birmingham computer controlled complex.

Tomatin Distillers

Unless there is a significant upturn in new whisky sales Mr A. P. De Boer, chairman, of Tomatin Distillers, tells members in his annual statement that the company will incur losses in 1984.

He explains that the upturn in sales, which were anticipated for 1984, could be further delayed until 1985.

Current orders are similar compared with the same period last year, and the chairman expects additional orders to be received during the rest of the year.

He adds that it is difficult to quantify these, but the directors believe that total production this year will not be less than 1983.

The export department has made a good start, and sales are expected to be higher.

As known the group incurred pre-tax losses of £1.48m (£776,000) for 1983. Turnover fell from £9.8m to £9.27m.

H. Samuel owns 41% of J. Walker

BY CHARLES BATCHELOR

H. Samuel, the High Street jewellery chain which is making an agreed £29m bid for James Walker Goldsmith and Silversmith, has bought the 14 per cent stake previously held by Cecil Gee, the men's retailer, to take its own holding to 40.9 per cent.

This deal, which gives Cecil Gee a profit of nearly £900,000 before expenses, prevents the Gee holding of 1.29m shares being used as the base for a counter bid for James Walker.

Cecil Gee has been granted an option to buy 13 of the H. Samuel/James Walker shops, provided the takeover goes through, for an expected £5-5.5m as part of the transaction.

Cecil Gee's shares rose 5p to 145p yesterday while Walker was unchanged at 158p. H. Samuel was also unchanged at 162p.

H. Samuel and its advisers, N. M. Rothschild, bought the Gee holding of Walker shares at 158p each—a total of £2.05m. The shares were bought by Gee in December and January for about £1.15b. H. Samuel now owns 1.1m Walker shares or 12.3 per cent and has received acceptances, including the Gee holding, from the owners of 2.56m shares or 28.6 per cent.

It also own 425,490 non-voting shares of Walker and has acceptances from the holders of 814,527 shares, equivalent together to 10.9 per cent of the non-voting equity.

Ge has paid £60,000 for the option to acquire the 13 stores at an external open market valuation. Eleven of the stores are from the Walker chain, the remaining two from H. Samuel.

The shops are largely surplus to the needs of the combined H. Samuel/Walker group, bearing in mind other outlets in the same locations.

Subject to shareholders approving the granting of the option to Gee to buy the stores H. Samuel will make an additional payment of 1p per Walker share, increasing the value of its offers to 159p per Walker ordinary share and 132p per non-voting share.

U.S. deal speculation lifts CU price again

BY JOHN MOORE, CITY CORRESPONDENT

THE share price of Commercial Union, one of Britain's biggest insurance groups, rose 5p to 231p amid continuing speculation in the London stock market about the board's future plans for the group.

Since last Thursday the share price has climbed from 188p and the present price values the company on the stock market at £952.4m.

The latest speculation in *yesterday's trading on the* London stock market centred on reported suggestions that the group was close to finalising a deal for the sale of its U.S. operations.

The suggested deal was said to involve American International Group, the U.S. insurance company, and Aetna Life & Casualty, one of the leading U.S. insurance groups, who it was reported were planning to form a joint company to take over the Commercial Union's U.S. operations.

Mr George Spratt, the company secretary to the Commercial Union, said yesterday that the reported deal is "absolute *news to us. It is complete fiction.* We monitor the shares all the time and there has been very little change in the top fifty of our shareholdings. I am not expecting that the shares are widely spread as the same blocks of shares have been bought or sold two or three times over."

In Hertford, Connecticut, at the headquarters of Aetna Life and Casualty, Mr John M. Galvin, senior vice president of the group's international and diversified business division, said that if such a deal was planned "nobody has told us. I know of no such activity. I think I can speak for the company."

He added: "Frankly we have not even looked at Commercial Union or its commercial equivalent."

At American International Group, Mr Edward Matthews, a senior executive, said that the reported deal was "a fanciful story. There is no truth in it. We do not own any stock in Commercial Union. We do not have any stock. We do not have any plans to buy all or any part of Commercial Union."

At Commercial Union, Mr Spratt described the movement in the share price as "speculative enthusiasm." In stockbroking circles there was speculation that it was U.S. buying that was prompting the price rise. "It's got to be American buying" joked one stockbroker, "it only comes in the afternoon."

BIDS AND DEALS IN BRIEF

Barow Hepburn Group has acquired DB Industries Incorporated, an industrial safety product manufacturer based in Red Wing, Minnesota, U.S.

The consideration was U.S.$800,000 cash on completion with a deferred amount payable up to a maximum of a further $750,000 dependent on profits generated in the 18 months to December 31, 1984 and the 12 months to year end 1985.

DB's turnover for the year *ended June 30, 1983 was $1.6m* and pre-tax profits amounted to $106,000.

* * *

Manor National has exchanged contracts between a subsidiary Rix Manor, and Worldcover, for the disposal of J. H. Hadfield and Sons' shares.

Hadfields operates a haulage fleet of 30 vehicles in Greater Manchester.

For 1983 Hadfields made a loss of £80,000 on a turnover of £1.1m.

Manor will be receiving £86,000 for the purchase (including repayment of an inter-company debt) less an amount equal to the losses of Hadfields for the three months to the end of March 1984.

Worldcover is owned by Mr B. C. Daglish, a director of Manor, and Mr W. H. Moore, a director of Hadfields. Since the disposal is to persons connected with Manor, the contract is conditional on shareholders' approval. If the contract is approved Mr Dalgish will resign as a director of Manor and of all other group companies.

* * *

Leisure Development, the new investment company set up 10 weeks ago with the financial backing of five City institutions and the support of the English Tourist Board, has made its first acquisition.

The company, headed by chief executive Mr Robert Upsdell, has injected £710,000 by way of ordinary shares, loan stock and convertible preference shares for a 51 per cent stake in major luxury coach operator Len Wright Travel.

Len Wright has an annual turnover in excess of £2½m and has expanded steadily from its formation in 1976 with one coach, to a present fleet of 32 luxury vehicles costing up to £100,000 each.

Three City institutions will *share the £710,000 investment*—Equity Capital for Industry, ICFC and the Merchant Navy Officers' Pension Fund.

* * *

Sound Diffusion is to purchase Alpha Lifts of Kingswinford, West Midlands, for £280,000 satisfied by the issue of 193,104 SD shares. Alpha makes and distributes a range of goods and passenger lifts. Completion is due for April 10.

As at March 31 1983 Alpha showed total net liabilities of £72,955. Trading profit for 1983-1984 is anticipated to be £140,000. The share issue represents some 0.14 per cent of the SD capital. The vendors have the option to retain or sell the shares.

SD already accounts for some 50 per cent of the sales of Alpha products and the acquisition will allow that company to be expanded on a properly capitalised basis.

* * *

The offer document from Habit Precision contains a unanimous recommendation of the Crosby Woodfield directors to accept.

The directors of Crosby note that the value of the bid is in excess of the estimated net asset value of their company as at September 30, referring shareholders to an appendix of asset values including a reduction of £593,000 in the value of certain properties following a revaluation.

NOTICE OF REDEMPTION

To the Holders of

GULF OIL FINANCE N.V.

14¼% Three-Year Extendible Guaranteed Notes Due April 1, 1994

NOTICE IS HEREBY GIVEN to the holders of the outstanding 14¼% Three-Year Extendible Guaranteed Notes Due April 1, 1994 of Gulf Oil Finance N.V. (*the "Notes"*) and of the unmatured coupons appertaining thereto that, pursuant to the provisions of the Fiscal Agency Agreement dated as of April 2, 1982, among Gulf Oil Finance N.V., Gulf Oil Corporation and Morgan Guaranty Trust Company of New York and of Paragraph 6 of the Notes, Gulf Oil Finance N.V. elects to redeem on May 15, 1984 all of the outstanding Notes, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to said date in the amount of $17.42 for each $1,000 principal amount.

Payment will be made on May 15, 1984 upon presentation and surrender of the Notes, together with all unmatured coupons appertaining thereto, at the main offices of any of the following: Morgan Guaranty Trust Company of New York in New York, Brussels, Frankfurt am Main, London and Paris; Banque Internationale à Luxembourg S.A. in Luxembourg; Morgan Bank *Nederland* N.V. (formerly Bank Morgan Labouchere N.V.) in Amsterdam; and Union Bank of Switzerland in Zurich.

On and after May 15, 1984, the Notes will no longer be outstanding and interest thereon shall cease to accrue.

GULF OIL FINANCE N.V.
By: Morgan Guaranty Trust Company of New York, *as Fiscal Agent*

Dated: March 29, 1984

UK COMPANY NEWS

Bunzl surges 36% to record £17m

WITH ALL divisions recording increased contributions, especially distribution and filters, pre-tax profits of Bunzl surged from £12.69m to a record £17.33m for the 1983 year, an advance of 36 per cent.

In the early part of the current year most activities are enjoying improved economic conditions and profits for the period are substantially ahead of those for the same weeks of 1983.

Shareholders benefit from the improved results. Their dividend for the year is being stepped up by 2p to 11p net per 25p share by an increased final of 6p (4.5p). A one-for-one scrip issue is also proposed.

Group turnover for 1983 advanced from £361.5m to £540.55m and was due largely to a more extensive nature of the distribution operations and a greater volume of business handled by the merchanting division.

Trading profits rose by £7.44m to £18.19m and these broke by division as to Filtrona—filters £5.33m (£3.06m), non-filter activities £1.08m (£1.34m); merchanting £3m (£2.76m), industrial £1.97m (£1.37m) and distribution £6.61m (£2.87m). Central expenses accounted for £1.8m (£647,000).

Pre-tax profits were struck after adding in associates of £2.71m (£2.51m) and deducting £3.58m, against £572,000, for net interest and dividends.

Tax took £7.27m (£5.31m) and minorities £975,000 (£527,000) to leave an available balance of £9.09m, compared with £6.86m. Earnings emerged at 33.8p (26.2p) with pre-extraordinary charges of £641,000 (£2.68m).

Mr Ernest Beaumont, group chairman, says the efforts of the past four years to reorganise Bunzl are now beginning to be reflected in rapid profits growth, earnings per share and return on investment.

He adds that the group is now as much a service and distribution company in pulp, paper and plastics, as a specialist manufacturer of filters, packaging and paper.

Shareholders are told that this new balance in group operations, together with the extent of the activities within the expanding U.S. economy, gives the directors "great confidence for the future."

The chairman explains that the group's new activity mix is strongly cash generating and because of this the year-end balance sheet had a debt/equity ratio of only 30 per cent, despite sustained growth throughout the group in 1983, continued capital expenditure, acquisitions for cash and an associated goodwill write-off.

● comment

Bunzl's transformation over the past three years is an object lesson in growth by acquisition. It picked a business—paper distribution—where it saw growth opportunities and which bore some relation to its existing activities. It correctly chose to go into the U.S. in the depths of the recession and is now reaping the rewards of the rapid recovery. Most importantly, it has bought sound companies of a manageable size, where profits and a strong cash flow have been generated very quickly so the group's debt/equity ratio, now 30 per cent, has been kept under tight control. For the future, more acquisitions are expected, though the emphasis is likely to move from the U.S. to developing paper distribution in the UK and Australia. Shareholders are already feeling the benefits of the group's careful strategy—since all bar one of the acquisitions has been for cash not paper there has been very little earnings dilution. In the current year, a strong performance all round is expected, taking pre-tax profits to perhaps £22m. The unexpectedly large dividend increase took the shares up 23p to 463p, where they still look a good buy with a prospective p/e ratio of about 11.

£507,000 profit made by Palma

THE FUTURE is viewed with "considerable confidence" by Mr Peter Bailey, chairman of Palma Group, the private hosiery and knitwear manufacturer. The subsidiaries are "extremely busy" with very good order books, and the Montfort companies are no longer making losses.

Mr Bailey confirms that, as forecast, it is intended to pay a dividend of not less than 2p net for 1984.

Palma merged with Montfort (Knitting Mills) in a reverse deal last December, and the results for 1983 show an improvement over the forecasts made at the time.

Combined turnover came to £21.47m compared with £10.68m for 1982, and there was a turnround from a loss of £366,000 to a profit of £507,000. After tax £141,000 (credit £78,000) the net profit is £366,000 (loss £288,000). There are extraordinary charges of £415,000 (£71,000) and dividends absorb £137,000 (£4,000). Earnings are shown at 1.38p (loss 9.69p).

On turnover of £11.73m Palma made a profit of £1.24m for 1983 against not less than £1.1m forecast, and had an extraordinary credit of £56,000. The Montfort companies produced a turnover of £9.7m and lost £728,000, but that compared with an estimate of not greater than £750,000. There were extraordinary losses of £471,000, as expected.

Mr Bailey says, rationalisation of the Montfort businesses has meant that trading losses of £468,000 can be attributed to activities which have now ceased. Costs associated with the closures have been provided for.

The business of W. Reynolds and Co (Bucknall), which produced underwear and knitted leisurewear, has been sold and Harvey Knitwear has been closed. Both were owned by Montfort and their activities were not considered to be consistent with the core business of the enlarged group. Empty leased premises were purchased from the landlords and subsequently sold. These disposals will result in a net cash benefit to the group of some £400,000.

At the year-end the group had borrowings of £2.2m. Facilities are substantially in excess of this and, although there is a major investment programme scheduled for 1984-85, the chairman expects this will be financed from internal resources and well within the available facilities.

Conder cuts loss and sees big turnround next year

NO FURTHER provisions were needed against the Iraqi operations of Conder International and, as expected, the company returned to profit in the second half with £547,000. This cut the loss for the 1983 year to £4.68m.

In the first half overseas losses and provisions totalled £5.5m; but the second half has produced a significant change in trend and the management has arrested the major losses which have cost the group "so dearly" in the last two years. In 1982, the group incurred a loss of £638,000.

There is no dividend recommended for the year, but the company hopes to pay a modest interim for 1984. In the current year Mr R. T. Cole, chairman, expects some improvement in profitability compared with the second half of 1983, but says the "big turnround will not feed through into the results before next year."

The mainstream construction business is profitable and healthy but the benefit of the re-orientation into structures and projects and of the large investment in computerisation will take a little time to show through. The diversification into property development, building products and water and effluent treatment plant is also progressing satisfactorily, but growth is absorbing most of the profits.

For the year turnover came to £98.47m (£101.17m), split as to construction £64.68m (£89.34m) and products and systems £13.79m (£11.83m). The UK contributed £81.44m (£84.36m), Middle East and Asia £2.54m (£10.53m), Africa £3.44m (£5.16m), and elsewhere £1.05m (£1.11m). The net loss of £4.7m (£742,000) equals 57p (9p) per share.

The structures division, where the company acts as sub-contractor for steelwork and cladding, made a turnover of £43m. Although prices remained depressed, the business was profitable.

In the projects division, which undertakes the design and management of complete building projects, produced a turnover of £28m, and profits were satisfactory; the work was about equally divided between the public and private sectors.

Mr Cole says the company's success has been largely due to the efficiency of the Kingsworthy System which dramatically reduces both design and construction times.

Overseas, a "massive effort" was devoted, under extremely difficult conditions, to completing work in Iraq and securing payment. All the contracts are substantially finished apart from the maintenance period. Payment problems have been greatly eased by the grant of a loan to the company's principal customer by Morgan Grenfell. Export contracts in other parts of the world are being carried out profitably.

IBM CADAM (Computer Aided Design and Manufacture) systems are installed in the two major companies. Conder is confident of achieving a big competitive advantage from this large investment in cash and management effort but the full benefits will not be forthcoming until the end of this year.

The property development operation continues to be profitable.

In mechanical and electrical building services there was a shortage of work which was reflected in a reduced turnover of £8.3m (£10.5m). Prices were also very depressed and the division lost money. Steps have been taken to integrate the operation with the construction business and the division should at least break even this year.

Building products had a successful year with a turnover of £10.2m. But most of the profits were re-invested in further developing products and markets.

The water and effluent treatment plant returned a small profit. There was significant expenditure in extending the product range and developing export markets—this will continue.

● comment

Conder has retired, licking its wounds, from its ventures overseas. In more peaceful days, the company's main thrust internationally was in Iraq, and the war has, of course, wrought havoc with the p and l account. The damage now seems to have been contained, with Conder's exposure limited to a couple of years of care and maintenance on contracts already completed. There seems little scope for replacing this business as yet, given the intense competition caused by the recession worldwide. In the UK, the company sets much store by the rejigging of its construction business into two divisions, structures and projects. Its chief technological speciality, the Kingsworthy dry envelope technique for multi-storey construction, has not yet been sold aggressively to third parties, and the restructuring is intended to lend weight to the marketing effort. The company now seems to be on the road back to recovery, but given that its business is of a kind which emerges late from recession, the road may be a long one. The shares closed 1p down at 55p, against a 1979 issue price of 90p.

HIGHLIGHTS

Lex looks at the implications of the weekend's agreement over refinancing for Argentina banks and then moves on to examine the deal whereby Kleinwort Benson is buying a securities dealer in Chicago for $23m. Finally the column comments on the 1983 profits from Reuters showing a 50 per cent increase at the pre-tax level but a very sharp rise in the overall tax charge. Elsewhere there is another dull performance from Conder but Bunzl keeps up its impressive growth on the back of a steady acquisition policy.

Second-half fall leaves Molins £1.2m down

SECOND half pre-tax profits of Molins fell from £5.1m to £3.9m and left the figure for the whole of 1983 behind at £7.1m, compared with a previous £8.3m. Sales of this group which manufactures machinery for the tobacco industry and corrugated board machinery, were down from £134.1m to £129.4m.

The directors say it is difficult at this stage to give a reliable forecast for the current year, although indications are that 1984 profits may be somewhat lower than those for 1983.

They add that the company is steadily reshaping the whole business so it can successfully meet the opportunities and hazards of the future.

Trading profits amounted to £7.6m, against last year's £9.3m, and were split as to tobacco machinery £12.3m (£13.7m) and corrugated board machinery £4.7m loss (£4.4m).

At halfway tobacco profits were up from £5.1m to £5.4m but the directors said that the full year contribution would be somewhat lower because of a continuing unsatisfactory trading situation at Deptford and to local economic conditions affecting customers of certain overseas operations.

The effect of reduced market demand and adverse competitive conditions on the cigarette packing machinery business was the main factor in the reduction in sales volume and profitability of the tobacco division.

The directors say that the current year will be difficult generally for machinery suppliers to the tobacco industry, with some downturn in overall market demand and, consequently, intensified technical and price competition.

While the company expects some modest improvement in corrugated board machinery demand in the current year, the directors feel it would be unwise to attempt to be specific about the outcome for the 12 months.

The dividend is unchanged at 7.9p net with a same-again final payment of 5.7p.

Profits for the year were after depreciation of £5.1m (£4.6m) and interest £0.5m (£1m).

Earnings per 25p share were 18.3p (22.7p) and net tangible assets were given as 260p per share, compared with 251p.

Profits on a CCA basis were £3.3m (same).

● comment

Hope must, yet again, be deferred at Molins. Its older tobacco machines are still losing their share of a highly competitive market, with second half sales a fifth lower. Meanwhile, the newer models — the SPI soft packer and the Mark 10 cigarette maker—are only now going to customers. Even that is small help short term as each machine sells at a loss as Molins painfully inches its way up the learning curve, a process likely to take at least a year. Despite progress on cost-cutting, profits from this side will be lower again in 1984. In the U.S., Langston is at last seeing a pick up in demand, and losses should be lower. The management seems confident of making over £12m eventually. But this year the p/e ratio is likely to rise from 1983's 6.6, on the shares down 5p at 126p, to over 7. The 9.4 per cent yield is cast iron and the balance sheet inevitably strong. But with BAT holding 29.9 per cent of the equity, Molins look bid-proof, and the shares are doomed to drift.

Arthur Wood reaches record £385,000

Pre-tax profits at Arthur Wood and Son (Longport) showed a marked recovery from £41,000 to a record £385,000 for 1983. The net single dividend has been lifted from 0.5p to 3p.

Turnover of this Stoke-on-Trent-based earthenware manufacturer increased from £2.64m to £3.49m.

Earnings per 5p share grew from 1.66p to 11.59p.

Trading profits improved from £62,000 to £366,000 to which was added £19,000 (£14,000) of investment income. Last time there was an exceptional debit of £35,000.

Tax came to £150,000 (£5,000).

Frizzell Group increases by 30% to end at £4.5m

IMPROVED pre-tax profits of £4.53m compared with £3.44m have been produced by the Frizzell Group for 1983. Turnover of insurance broking grew from £14.74m to £15.87m.

Earnings per 25p share of this private company rose from 9.7p to 13.4p, and the dividend has been lifted by 1p to 4p.

Mr Colin Frizzell, chairman, says that shortly after the year end the company acquired the insurance broking interests of F. Botlon Group, which has a commission income of about £3.9m.

Commenting on the year Mr Frizzell says that his forecast of a general improvement by Norman Frizzell Motor & General was realised.

In UK broking, Norman Frizzell UK completed its reorganisation and "is settling down well." There are signs that the decline in income has finally halted and a return to trading profitability is in sight.

Norman Frizzell Life and Pensions had a profitable year and in financial services, Shawlands Securities continues to experience growing demand and produced record profits of £1.08m, an increase of 53 per cent.

Earnings and dividend lift by R. & H. Hall

A further pick-up in profits to £2.6m is reported by R. & H. Hall, Cork based grain merchant, for 1983. In view of the difficult circumstances existing in the Irish economy the directors regard the result as satisfactory. The previous year the group made £2.09m.

Turnover expanded to £152.28m (£131.11m) and the trading profit to £1.46m (£722,000). The final dividend is 2.75p for a total of 3.75p (3.36p).

After tax £494,000 (£631,000) and minorities £12,000 (£5,000), the net attributable profit is £2.1m (£1.46m) for earnings of 12.7p (8.83p) per share. There is this time an exceptional tax credit of £2.07m, equal to 12.55p per share.

Town Centre

Pre-tax profits at Town Centre Securities moved up from £871,919 to £1m for the half year to the end of 1983. Group revenue before interest charges came to £1.87m, compared with £1.72m. Tax amounted to £502,000 against £453,000.

In the last full year pre-tax profits came to £2.11m.

Amalgamated Estates deficit up

In the half year ended September 30, 1983, the pre-tax loss at Amalgamated Estates, property investor, rose from £529,765 to £602,257. It was running at a similar level to that of the year ended March 31 1983, and efforts were made to reduce the losses by selling properties and cutting overheads.

The effect of these and the interest savings following the £1.2m rights issue of last October will not show until the results are available for the second half.

In the half year rental income came to £294,964 (£374,074), sale of dealing properties to £423,802 (nil), and loss on disposals of investment properties to £18,176 (nil). Last time there was a loss in the hotel television activity of £162,704.

Sale prices of the investment properties sold were at valuations and the loss is in respect of legal and agents fees. There is an extraordinary credit of £29,738 being disposal of the major part of the investment in HTN, parent company of Hotel Television Network.

The contract for the purchase by Linden Holdings of 19.3 per cent of the Amalgamated Estates' ordinary capital from Promotions House was not completed on March 30, and consequently Mr D. Abili, Mr I. Shah, Mr S. Shah, and Mr M. Harvey have resigned from the board. The rest of the board—Mr C. Freemantle, Mr D. Pearl (who has been appointed chairman), and Mr A. Taylor — will be making an announcement next week in connection with their plans for the company's future.

COMPANY NEWS IN BRIEF

In a report on the progress at Neepsend, chairman and managing director Mr S. L. Speight says the major rationalisation is completed, and he believes the company is in a good position to look forward positively to growth in activity and profits.

Much has still to be done but he feels certain that the coming years will see the company on its way to a prosperous future. After three years of substantial losses the group returned to a small profit in the half year ended September 30, 1983.

Mr Speight feels this is the right time to prepare for the future by a new appointment which enables him to relinquish part of his duties and as from April 1 Mr Frank Wright has become managing director. Mr Speight will stay as executive chairman until the end of next March when he hopes it will be possible for him to relinquish full time executive duties.

* * *

With the increasing level of demand in the export markets continuing in 1984, Mr R. F. Needler, chairman of Needlers, chocolate maker, says in his annual statement that he is confident the current year will show a reasonable increase in profit.

As known, pre-tax profits for 1983 increased from £135,198 to £190,065 on turnover of £9.67m (£8.69m).

He tells shareholders that there seems no immediate prospect of any major improvement in the level of UK demand for sugar confectionery.

The company has, however, been able to take advantage of the buoyancy of the chocolate countline sector by launching a range of three chocolate flavour crisp bars which has met with "considerable success."

* * *

Profits before tax of Pirelli UK totalled £9.97m for 1983, a swing of £11.26m on the loss of £1.29m incurred in 1982. Turnover rose from £250.28m to £307.55m.

The various Pirelli companies in the UK were reorganised at the beginning of 1983 and the figures shown for 1982 are pro-forma, reflecting the 1982 results and the position as at the end of that year as they would have appeared if the reorganisation had taken place at the beginning of 1982 and as if the company had received dividends from subsidiaries equal to its actual profits for that year.

Pirelli UK is a subsidiary of Societe Internationale Pirelli SA of Switzerland.

* * *

Profits before tax of Boston Trust and Savings, the UK consumer finance subsidiary of the Bank of Boston, exceeded £1m for the first time, for 1983, and were more than double the previous record of £0.48m achieved in 1981. Total assets grew by over 50 per cent to £46m.

There seems to be little apparent slackening in demand for the company's services and plans are to increase the number of in-store money centres it operates with leading UK department store groups and to add to its high street coverage in new geographical areas.

* * *

Sir Kirby Laing, chairman of Laing Properties, says in his annual review that the company is well positioned to maintain results on a reasonable trend for some time to come.

In the longer perspective the company's main concerns will be to generate alternatives to conventional development in the UK, to keep up the momentum in North America and generally pursue diversity and flexibility as the best means of responding to market changes.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bunzl	6	July 2	4.5	11	9
Conder Intl	Nil	—	Nil	Nil	1.5
R. & H. Hall	2.75	—	2.61	3.75	3.36
Mellerware‡	1.68	—	—	2.52	—
Molins	5.7	May 29	5.7	7.9	7.9
Municipal Props	9.98	—	9.07	9.98	9.07
TSB Gilt Fund 2nd int¶	3	May 1	3.15	—	12.45
Arthur Wood	3	—	0.5	3	0.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross through out.

Mellerware well above forecast

COMPARED WITH a forecast increase of 50 per cent, taxable profits of Mellerware International, aluminium kitchen utensils manufacturer, surged from £540,758 to £944,972 for 1983, a 75 per cent advance.

Turnover of this West Midlands based concern expanded by 42 per cent to £7m and exports during the 12 months increased by over 200 per cent to £401,120.

Mr J. P. Meller, chairman, says that after three months of the current year sales to date and the group's order books are both *significantly higher* than the same period last year.

"We are therefore optimistic that the current year will again produce very satisfactory results and that we are entering a new phase of expansion."

Commenting on the 1983 figures Mr Meller explains that they were achieved because of the introduction of new ranges of cookware, an automatic hot water jug, electrical products and the first benefits from new important contracts.

"The spread of customers has been widened, overseas sales increased and substantial investments made in manufacturing facilities," the chairman states. and Europe,

Mellerware, which joined the Unlisted Securities Market in May 1983, achieved profits of £263,000 in the first six months, compared with £61,000, on turnover up 33 per cent to £2.67m (£2m).

The directors are recommending a total dividend of 2.52p net with a final payment of 1.68p. Earnings per 10p share jumped from 5.84p to 10.32p per share.

BOARD MEETINGS

TODAY

Interims:—Anglo-African Finance, New Court Trust, Prestwich Parker, TSW—Television South West.

Finals:—Brammer, Bruntons (Musselburgh), Christies International, Coates Brothers, Hartons, Keep Trust, Nationwide Leisure, Pritchard Services, Riley Leisure, Rotaflex.

FUTURE DATES

Interims:—	
Bryant Holdings	Apr 16
Low (William)	Apr 11
Finals:—	
AMEC	Apr 18
Baird (William)	Apr 5
Blockleys	Apr 5
Boase Massimi Pollitt	Apr 9
British Printing & Cml. Corp.	Apr 18
Burmah Oil	Apr 11
Dinkie Heel	Apr 6
Fothergill and Harvey	Apr 11
Highcroft Investment Trust	May 3
International Thomson Org.	Apr 5
Johnston Group	Apr 5
Lyle Shipping	Apr 6
Raybeck	Apr 16
Savoy Hotel	Apr 10
Sovereign Oil and Gas	Apr 10
Steel Brothers	Apr 17
Thurgar Bardex	Apr 6
Viking Resources Trust	Apr 16
Vosper	Apr 5

Geo. Oliver revises its reported 1983 results

AFTER CAREFUL consideration of the latest budget, the directors of George Oliver (Footwear) say they feel it prudent to revise the figures previously reported on account of the 1983 year.

They explain that in the past no provision for deferred tax on timing differences between profits computed for tax profits as stated in the financial statements has been made, as capital allowances available for relief were expected to be in excess of the depreciation charge.

Shareholders are told that with the reduction in value of the writing down allowance, this position will not continue, and accordingly a provision for deferred tax of £731,000 has now been included as an extraordinary item. This will have the effect of equalising the tax charge on trading profits in future years—all the other figures remain unaltered.

Net profits for 1983 emerged at £1.63m (£1.52m) after tax of £455,000 (£87,000 credit) but before extraordinary credits of £971,000 (£1.04m).

Changes at the Post Office

THE POST OFFICE has appointed Mr Peter Milne as director of letter operations, heading the Royal Mail network which handles 40m letters a day. He was director of mail operations. Mr Mike Quilty becomes director of parcels operations, which handles 600,000 items daily. At present he is deputy director of mails operations. Mr Sam Haskett has become Post Office secretary. He was deputy director of postal personnel, and takes over from Mr Jerry Baxter.

★

Sir Michael Edwardes yesterday took over as chairman of the ICL Group in succession to Sir Christophor Laidlaw who retires. Dr Robb Wilmot has been made chief executive of the group. He has been managing director since May 1981.

★

Mr A. C. Liddle, managing director of the non-marine division of JARDINE THOMPSON GRAHAM, retires on June 30. Mr A. J. Gordon, a director, has been appointed managing director of the non-marine division in succession. Mr S. C. Sampson has been appointed managing director of the marine division *from July 1.*

★

ESPAGNA INTERNATIONAL, Hexham, a giftware company, has appointed Mr Tony Stewart as main board director responsible for sales and marketing in the UK and overseas. He was sales director of the UK retail market division.

★

Mr Stanley R. Jackson, group financial controller, has been appointed to the boards of the two principal Scottish house building subsidiaries, Cala Homes (Scotland) and Cala Homes (Aberdeen) of the CITY OF ABERDEEN LAND ASSOCIATION.

★

REPUBLICBANK DALLAS NA has made the following promotions and appointments. Mr Chandler M. Church, general manager of the London branch and manager of the European division has been promoted to senior vice-president. Mr Nicolas F. Renna, manager of Africa, Middle East, Australia and Canada, in Dallas, was also promoted to senior vice-president. Mr Richard R. Cloutier, senior vice-president in Dallas, will assume responsibility for the Eastern hemisphere division and Mr William L. Ensser, senior vice-president, becomes credit manager, international department.

Promotions at General Foods

GENERAL FOODS, Banbury, manufacturer of Maxwell House instant coffee and Bird's desserts has made senior management appointments. Mr David Soffe, managing director for the last three years, takes on the additional post of area director Northern Europe. As well as continuing with his existing responsibilities for the UK and Eire operations, he also assumes responsibility for Scandinavia. Mr Roger Cadbury is being promoted from sales director to deputy managing director. He will continue heading the company's sales operation and will become responsible for the Bird's desserts marketing group. General Foods is a wholly-owned subsidiary of General Foods Corpn, New York.

★

Mr Tom Bartlam, Mr Robin Grant and Mr Howard Rix have been appointed directors of CHARTERHOUSE JAPHET. Mr Ewen Gilmour and Mr Tim Lebus have been appointed assistant directors.

★

QUALTER HALL & CO., a subsidiary of Matthew Hall, has appointed Mr Geoffrey A. Banks as managing director succeeding Mr Robert Bucknall on his retirement. Mr Banks was sales director and deputy managing director.

★

BALTICA-SKANDINAVIA INSURANCE COMPANY (UK) has appointed Mr William E. Barry as managing director from July 1. He has been underwriting for New Rotterdam Insurance Company through W. E. Barry Agencies. Baltica-Skandinavia (UK) is a wholly-owned subsidiary of Baltica, Copenhagen.

★

The Employment Secretary has appointed Mr John Shepherd as financial director of REMPLOY for an initial period of four years. Mr Shepherd was financial director, foods division, Dalgety Spillers.

★

TADDALE HOTELS EUROPE has appointed Mr W. G. Crossman as chairman and Mr A. J. Rothwell as chief executive of Prince of Wales Hotels. Mr A. M. Clayman has resigned as chairman and managing director.

★

Mr Alan R. W. Toms has joined the board of INITIAL. He is chief executive of Initial Services, the group's largest trading division.

★

From April 1 Mr M. J. Caley *becomes chairman of LOWNDES* LAMBERT CONSTRUCTION. Mr R. J. G. Shaw continues as a director and Mr D. Senior becomes managing director. Mr J. W. Farley is made a director of Lowndes Lambert Marine.

★

Mr Vincent Clare has been appointed non-executive chairman of JAMES HALSTEAD GROUP. Since March 1983, Mr Geoffrey Halstead has fulfilled the dual role of chairman and managing director, but has now relinquished that of chairman. Mr Clare, a solicitor, is senior partner of Maurice Rubin and Co. Mr J. S. Leach has retired from the board. Mr P. S. P. Knight (director and group secretary) has been appointed financial director.

Enterprise Oil board posts

ENTERPRISE OIL has appointed Mr Jerry Leonard, Mr Ian Maclaurin and Mr Garth Ramsay to the board as non-executive directors. Mr Leonard is a non-executive director of several companies including North Sea Assets, North Sea and General Oil Investments, and Oil and Gas Production. He retired seven years ago as group treasurer and as a director of Shell International. Mr Maclaurin is chairman-designate of Tesco Stores Holdings. Mr Ramsay is joint deputy chairman of Ivory and Sime, where he is responsible for oil and energy interests. The executive board of Enterprise Oil will be Mr William Bell, chairman; Mr Graham Hearne, chief executive; Dr Myles Bowen, exploration director; Mr Peter Kingston, technical director; and Mr John Walmsley, finance director.

★

Mr Hans Chr. Seeberg has joined WESTPAC BANKING CORPORATION'S London branch, as a regional manager, divisional banking, responsible for corporate banking and government relationships in the Nordic countries. He was previously with Bankers Trust Company.

★

Mr Leon Roberts has been appointed to the board of BRASWAY as a non-executive director. He recently retired from the international division of the National Westminster Bank.

★

Mr Iain Cater, group financial director, has been promoted to managing director, SETON PRODUCTS.

★

Mr Brian White has joined FLUOR OCEAN SERVICES in London as senior projects manager. He was a divisional director for project operations with Matthew Hall Engineering.

★

Mr Michael Cross has been appointed a director of J. AND J. DYSON. He has been a director of Dyson Refractories since 1974.

★

Mr Ian Catford, has been appointed director of marketing services at SUZUKI GB (CARS) —a Heron Corporation company.

★

WILLIAMS DE BROE HILL CHAPLIN AND CO, stockbrokers, has formed a wholly-owned subsidiary Williams de Broe International to trade as an international dealer in overseas securities. Directors are Mr P. H. A. Stanley, Mr D. Ridley, Mr Y. A. Gachoud and Mr P. W. Clarke, who are also directors of the parent company.

★

RICHARD CLAY PLC has made the following appointments: Mr R. S. M. Clay has been appointed executive vice-chairman in succession to Mr J. Dundas Hamilton who will remain a non-executive director. Mr K. M. Pardey has been appointed joint managing director and chief executive, UK operating division. Mr G. J. Iceton has been appointed joint managing director with overall responsibility for sales and customer service. *Mr R. Boyd, one of the joint* managing directors, will be leaving at the end of April to pursue a new and separate enterprise. Mr J. W. C. Myers has been appointed director and general manager, Richard Clay (The Chaucer Press). Mr M. A. Kudar has been appointed director and general manager, Fletcher and Son. Mr A. J. Clay has been appointed UK sales manager.

★

Mr S. A. Field, will retire from the board of WILLIAM BAIRD at the forthcoming annual meeting in May but will continue as president. Mr J. A. Lumsden, a director, will retire at the annual meeting. Mr N. G. Trotter becomes a non-executive director.

New chief at Bridon

BRIDON has appointed Mr David Houghton as chief executive from August 1. He will take over from Mr Jack Laird, who remains chairman. Mr Houghton joined the board of Bridon in December 1980 as a member of tthe group executive committee and managing director of British Ropes.

★

Mr H. G. Clayton, who until recently was head of the plastics and additives division of Ciba-Geigy Japan, is to become managing director of Ciba-Geigy Plastics, a division of CIBA-GEIGY, Duxford, Cambridge.

★

Mr Bryan J. Rankin has been appointed managing partner of the Edinburgh office of THOMSON McLINTOCK AND CO, following the retirement of Mr Hugh McMichael. The following become partners: Mr Christopher Fletcher (Edinburgh); Mr John Alexander and Mr Terry Carter (London); Mr Nigel Cooper (Milan); Mr Andrew Pitt (Bristol).

★

Mr Colin Toombs has been appointed a director and assistant company secretary of PUNCH PUBLICATIONS, a United Newspapers company.

★

Mr Cyril Spencer has joined the board of CECIL GEE as a non-executive director. He was chairman and chief executive of the Burton group.

£10m refurbishment for Wates

WATES SPECIAL WORKS has secured Inner London refurbishment contracts totalling nearly £10m. The London Borough of Camden has placed the modernisation of 388 post-war flats and maisonettes on the West Kentish Town estate with the company. *The £7.6m contract is scheduled* to start in May will take two years to complete and will be undertaken with tenants in place. Other projects include refurbishment of offices at Norwich House for the Hammerson Group, worth over £800,000, taking one year to complete. For Ospreyway, part of Grosvenor Square Properties, work to 18 Conduit Street commences this month and the £500,000 contract comprising complete internal office *and workshop refurbishment will* take 48 weeks to finish. Fitting out of existing offices at 99 Bishopsgate will be undertaken on a fixed fee prime cost contract from Saudi International Bank. Work within the post-war City towerblock is scheduled to commence this month and complete in six months, costing about £900,000.

★

TURRIFF CONSTRUCTION has been awarded a contract worth *about £1.1m by the Home Office* for a new kitchen and education block at H.M. Prison, Alyesbury.

★

BALFOUR BEATTY CONSTRUCTION has been awarded a contract for sheltered housing by Yoker Housing Association. Valued at £1.5m the contract in Langholm Street, Yoker, Glasgow, comprises building 54 homes in two-storey units. Provision is made for landlord's accommodation, a common room, plant room and guest bedrooms. Construction period is 78 weeks. Balfour Beatty is a member of the BICC Group.

★

WALKERSTEEL REINFORCEMENTS, Grantham, has an order from Tarmac National Construction to supply about 12,000 tonnes of steel reinforcement for the A1(M) link Roestock to Stanborough, Herts. The contract is for a motorway and tunnel. Value to Walkersteel is about £3m.

★

DEREK CROUCH CONSTRUCTION CO. has work worth a total of £2.5m, including development of the Loch Lomond Hotel at Balloch, into 18 flats and eight houses, worth about £1m. A contract worth £846,000 has been signed with the Edinburgh-based Kirkcare Housing Association to build a 33-unit sheltered housing complex in Regent Street, Greenock. Another contract—valued at £632,500—has been signed with Gateshead Metropolitan Borough Council. It calls for the construction of an extension to Bede Community Primary School, Old Fold Road, Gateshead, to provide community meeting and function rooms. Completion is due in the autumn of 1985.

★

COACHWORK CONVERSIONS has won an order for special-purpose lift-on, lift-off bodies for *British Telecom. The £1.7m* order is for 1,412 bodies, to be completed during the 12 months April 1984 to March 1985. Tailored to the Leyland Sherpa 255 chassis-cab, each body is 8 ft 8 in long, 6 ft 2in wide and 6 ft 3 in high.

★

GRATTE BARRETT & WRIGHT has been awarded a contract approaching £1m, by Countryside Properties, for the design and installation of mechanical, electrical and plumbing services at Hook Rise South, Surbiton. The office and production unit development has been let to Plessey Radar and its requirements have been incorporated. Negotiations are in hand for Phase II.

★

J. JARVIS AND SONS has won five contracts totalling over £2.1m. The largest is a £1.1m warehouse and offices on the Isle of Dogs in East London, for Henry Davies and Co. They are to build a £395,000 extension at Baring Primary School, SE12, for the ILEA, and a £374,000 telephone exchange building in Banstead, Surrey, for British Telecom. In Manchester a £126,000 service station is underway for Esso and also £117,000 restoration work at Liverpool Road Station for the Greater Manchester CC.

★

A £1m contract to refurbish *Gordon's Hospital in Vauxhall* Bridge Road has been awarded to WIGGINS. Work has begun and is expected to take 12 months. It is being undertaken by Gee Walker and Slater, a Wiggins subsidiary, and was awarded by the Victoria Health Authority.

★

TUNSTALL TELECOM GROUP has signed a contract with Rotherham Metropolitan Borough Council, worth £1.36m for the provision of equipment for 7,000 supervised homes in Rotherham. The installation will treble the twenty-four hour care service already provided by the council

★

Three export contracts worth over £1m for UK-built mailing equipment have been won by PITNEY BOWES. The largest is from Saudi Arabia, where postage meters and cancelling machines worth around £800,000 (SR 4m) are to be used for processing mail at 120 post offices. The Ghana Post & Telegraph Corp has placed a similar order, for meters, bases and spares worth £180,000 for 130 post offices. The Dutch Government will be installing Pitney Bowes meters and other mailing equipment such as electronic scales in its offices, replacing the system of pre-paid official envelopes which is being phased out.

★

CORRALL CONSTRUCTION has been awarded two contracts together worth nearly £300,000 by Wealden District Council for the modernisation of 77 houses.

★

Willett wins £3m work in Nottingham

WILLETT has been awarded a £3m contract to rebuild the old head post office in Nottingham by developer Norfolk Place Properies (Nottingham). The building ,empty for 11 years, will be demolished with the exception of the front elevation and banking hall. In its place a 38,000 sq ft of offices, 10,000 sq ft of shopping and basement car parking for 34 vehicles is planned. The 240 ft long retained facade, which is Grade II listed, will be cleaned and restored. The catalyst which has brought about redevelopment has been the approval of a £750,000 urban development grant from the Nottingham City Council, 75 per cent funded by the Department of the Environment. Demolition work begin this month. The new *building* will be a steel-framed structure and because of the sloping nature of the site, will be five and six storey high. Completion is due in two years. Willett is a Trafalgar House company.

★

A contract worth £1.2m has been signed by MODAIRE, Bedford, with Slough Borough Council to modernise 209 houses on the authority's Manor Park Estate.

★

The building services unit of BALFOUR BEATTY CONSTRUCTION, based in the west of Scotland, has won a contract worth £750,000 in Motherwell. Awarded by the Lowland Territorial Auxiliary and Volunteer Reserve Association, the 65-week contract comprises the erection of a two-storey block to accommodate offices, stores, drill hall, training rooms and a caretaker's flat. A detached single-storey steel framed building will also be built to house a miniature rifle range and a garage. Balfour Beatty is part of the BICC Group.

MINING NEWS

Vaal Reefs plans record capital spending

THE capital spending programme planned for this year at the Anglo American Corporation group's Vaal Reefs gold and uranium mine is the highest on record says the chairman, Mr Peter Gush in the annual report.

Spending is estimated at R160.3m (£89.4m)—it was R158m in 1983—but the amount actually spent by the South African mine will depend on the gold price and the rand-dollar exchange rate. Planned gold production for this year is 79,000 kg compared with 80,007 kg in 1983.

Among other points in the latest batch of annual reports from the South African gold mining industry, Western Deep Levels expects 1984 gold output to fall to 38,000 kg from 39,455 kg as a result of the underground fire which has suspended mining operations in the high grade areas.

Elandsrand will again concentrate efforts "on providing a sound platform from which to launch our expansion programme." Gold output is forecast at 10,600 kg this year compared with 9,858 kg in 1983.

Thanks to capital expenditure offsets the company has yet to pay mining tax, but from this year it will be liable to company tax on non-mining income at a cost of some R4m.

The Gencor group's St Helena mine does not expect to maintain last year's gold production of 13,817 kg because of the continued decline in ore grades. Mr Ted Pavitt says that so far the new Beisa division which is being worked by St Helena has not achieved the profits originally expected and so operations have been financed fully by Beisa.

There has thus been no call on the finances of St Helena but, by the same token, St Helena shareholders are warned that they should not expect any profits from Beisa in the near future. The latter is suffering from continued weakness in the uranium market and a low gold price.

St Helena's capital spending this year is expected to rise to R33.6m from R8.9m in 1983, largely as a result of shaft sinking.

* * *

South African gold production rose further to 1,791,752 oz in February, according to the latest figures from the Chamber of Mines. This makes a total for the first two months of this year of 3,548,628 oz compared with 3,567,192 oz in the same period of 1983.

Harbour Lights ready to go with 5.5m tonnes

BY KENNETH MARSTON, MINING EDITOR

FIRST ore reserves are announced from one of the new breed of Australian gold mines in the old Eastern Goldfields of Western Australia.

It is the Harbour Lights prospect, near Leonora, in which Esso Exploration and Production Australia has 55 per cent, Carr Boyd Minerals 40 per cent and Aztec Exploration 5 per cent.

Esso, as operator, calculates that minerable ore reserves down to a depth of 120 metres in the open-pit section of the property amount to 5.5m tonnes, after allowing for mining dilution, with an average gold grade of 4 grammes gold per tonne.

This conservative estimate is based on a 1.5 gramme cut-off gold grade and an estimated mill recovery rate of 90 per cent. Using 500,000 tonnes per year as the most likely production rate, Esso estimates head grades at 5.5g and 5g gold per tonne respectively for the first two years of operations.

Final feasibility studies for the new gold mine are expected to be completed early in July. Esso says that subject to all the necessary approvals being obtained on schedule, full production should be reached in the second half of next year.

Importantly, in this arid area, the studies indicate that ample water resources are available to satisfy all the proposed mining and processing needs.

These reserves include those at Harbour Lights West but refer only to the proposed open-pit operation. They do not include the deeper ore reserves which are known to exist but which have not yet been evaluated.

In London yesterday shares of Carr Boyd, which jumped to 145p in January of last year on the announcement of high grade drilling results at the Harbour Lights property, gained 2p to 75p in a sharemarket generally subdued by the easier bullion price.

Bindura losses sharply ahead

ZIMBABWE'S Bindura Nickel Corporation, the country's sole nickel producer since the closure two years ago of the Empress mine, incurred a sharply higher net loss of Z$9.3m (£5.8m) in 1983. This compares with the net loss of Z$6.3m in 1982, reports Tony Hawkins in Harare.

Turnover doubled to Z$73.7m, but owing to the sharp increase in electricity costs and the worldwide depression in nickel prices, Bindura returned a small operating loss of Z$1.4m.

Bindura, which is controlled by South Africa's Anglo American Corporation, said that the rise in turnover reflected the 30 per cent depreciation of the Zimbabwe currency since 1982, and also a reduction in metal stocks. The company sold 12,400 tonnes of nickel last year, which was 2,300 tonnes above the year's production.

Net revenue per tonne sold was 12 per cent higher than in 1982, although this was still much lower than the effective depreciation of the currency. In addition, unit costs were up by 24 per cent.

Bindura said that the net loss would have been Z$2.6m higher had interest been payable on the loan from its parent company, Anglo American of Zimbabwe. Interest will be payable on this loan from next year onwards.

The company's hopes of a return to profitability and the payment of dividends, both of which look to be several years away, are pinned to a rise in nickel prices. Bindura estimates that a rise of 10 cents per pound in the nickel price adds something like Z$2.25m to revenues.

Negotiations progress at Broken Hill

FOLLOWING an "action first, talk later" line the Australian mine managements and unions at Broken Hill in New South Wales are now locked in negotiations, but neither side is prepared to comment on progress at this stage.

At the weekend, a mass meeting of the miners votew to give their union executive full authority to negotiate a settlement of the wage dispute.

Ironically, the dispute erupted just after agreement was reached between the lead-zinc-silver mining companies in NSW over a new scale of royalty payments to the state which next year will reduce the burden on the lower grade and deeper operations and facilities forward mine planning.

The unions, which are pressing for higher wages and shorter *working hours as part of* a new three-year wage deal, embarked on a go-slow.

This moved the companies, notably Broken Hill South and CRA, to respond by suspending operations at the mines, claiming that at current metal prices it was not economic to continue in these circumstances.

Nippon Mining finds high precious metal values

PROMISING GOLD and silver veins have been discovered by Toyoha Mining, a wholly-owned subsidiary of Nippon Mining, in a mine near the town of Sapporo on Hokkaido Island, the northernmost island of the Japanese archipelago.

News agency reports put the gold values at between 43 and 120 grammes per tonne, extremely high by world standards, along with between 1,600 and 4,200 grammes of silver. More drilling is needed to determine the size of the deposit.

Toyoha Mining is currently mining 35,000 tonnes of ore a month containing silver, lead and zinc in nearby mines.

Meanwhile, Nippon Mining has said that it will report a sharp fall in profits for the year to March 31, with profits down 37 per cent to Y7bn (£21.5m) from 1982-83's Y11.12bn. The decline is attributable to the high price of imported oil early last year and a stagnation in both domestic and overseas copper demand.

The company is expected to maintain the Y4 dividend paid last year, on capital increased by a one-for-20 scrip issue in March 1983.

Record profits of perhaps Y20bn are predicted for the year to March 31, 1985, on the back of a recovery in non-ferrous metal prices and falling oil prices.

* * *

Hamilton Oil Corporation has received acceptances of its offer for Hamilton Oil Great Britain in respect of 61,699,402 shares, representing about 87 per cent of capital.

The offer is declared unconditional in all respects, and will remain open.

In Brief

AMERICA'S AMAX has now advanced the timetable for a return to profit, after two consecutive years of loss. Mr Pierre Gousseland, chairman, has told news agencies in an interview that he expects the big group to be back in profit in the first quarter of this year, compared with earlier forecasts of an overall 1984 profit.

The chairman based his hopes on a broad-based improvement in metal prices, and higher earnings from the group's growing aluminium interests.

The results for the opening three months of 1984 may include an extraordinary gain from the sale of Britoil of a half-share of Amax's oil and gas reserves in the U.S. for US$83m (£57m); but Mr Gousseland said he hoped the group would be back in the black even before the inclusion of this item.

* * *

Mining has entered a gold exploration and development joint venture with Australian Anglo American at an area 2.5 km from Pancontinental's Paddington gold project in Western Australia.

Australian Anglo will earn a 45 per cent stake in the new area, Paddington South, by contributing A$2.5m (£1.62m) to the joint venture spending over the next four years.

The U.S.$80m (£55.3m) Aredor diamond venture in Guinea is to start production on schedule next week despite the postponement of the ceremonial opening following the death of President Touré.

The operator for the project, Australia's Bridge Oil, reports a half-year operating profit of A$3.64m (£2.36m) from its Cooper Basin and Surat Basin Oil activities against a loss of A$1.75m a year ago.

* * *

Philex Mining Corporation, one of the "big five" producers in the Philippines, made net profits last year of Pesos 290m (£14.5m), up from Pesos 178m in 1982, with Pesos 30m of the latest figure coming from investment income.

Nevertheless, Philex *has* decided to defer an ambitious plan to exploit ore from deeper levels at its mine in Tubao Town, Mountain Province, on the main Philippines island of Luzon.

Instead, according to Mr Henry Brimo, president of Philex, the present millfeed will be augmented by 5,000 tonnes of higher-grade ore per day from the middle of next year.

* * *

Compagnie Royale Asturienne des Mines, the Belgian metals processing and mining group, has returned to profit, with net earnings of BFr 13.4m (£175,000) for 1983 compared with a net loss in 1982 of BFr 611m.

As before, no dividend is to be paid.

Asturienne is associated with the big holding company Societe Generale de Belgique.

BASE LENDING RATES

A.B.N. Bank	8½%	■ Hambros Bank	8½%
Allied Irish Bank	8½%	Heritable & Gen. Trust	8½%
Amro Bank	8½%	■ Hill Samuel §	8½%
Henry Ansbacher	8½%	C. Hoare & Co. †	8½%
Armco Trust Ltd.	8½%	Hongkong & Shanghai	8½%
Associates Cap. Corp.	9 %	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	8½%	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	8½%	Lloyds Bank	8½%
BCCI	8½%	Mallinhall Limited	8½%
Bank of Ireland	8½%	Edward Manson & Co.	9½%
Bank Leumi (UK) plc	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	8½%
Banque du Rhone	9½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	R. Raphael & Sons	8½%
Bremar Holdings Ltd.	8½%	P. S. Refson & Co.	8½%
Brit. Bank of Mid. East	8½%	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	8½%
CL Bank Nederland	8½%	■ J Henry Schroder Wagg	8½%
Canada Perm't Trust	8½%	Standard Chartered ‖	8½%
Castle Court Trust Ltd.	9 %	Trade Dev. Bank	8½%
Cayzer Ltd.	8½%	TCB	8½%
Cedar Holdings	9 %	Trustee Savings Bank	8½%
■ Charterhouse Japhet	8½%	United Bank of Kuwait	8½%
Choulartons	10½%	United Mizrahi Bank	8½%
Citibank Savings ¶	9½%	Volkskas Intnl. Ltd.	8½%
Clydesdale Bank	8½%	Westpac Banking Corp	8½%
C. E. Coates	9½%	Whiteaway Laidlaw	9 %
Comm. Bk. of N. East	8½%	Williams & Glyn's	8½%
Consolidated Credits	8½%	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	8½%	Yorkshire Bank	8½%
The Cyprus Popular Bk.	8½%		
Dunbar & Co. Ltd.	8½%		
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8% £10,000, 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¾%. £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¾%.
¶ Mortgage base rate.

WALL STREET

Argentine accord helps ease fears

THE SUCCESSFUL outcome of the Argentine debt negotiations, together with further evidence on the strength of the U.S. economy, brought firmness in both stock and bond markets on Wall Street yesterday, *writes Terry Byland in New York.*

The credit sector was hesitant, however, after the announcement of a 6.9 per cent jump in construction orders in February reawakened all the old fears of an overheating economy.

But the market drew encouragement from the Federal Reserve's disclosure on Friday that it has not been tightening credit policies.

The stock market opened firmly after both the February construction figures and a report from U.S. purchasing managers had indicated that the economy was still pushing ahead strongly. But investors remained cautious and stock prices were unable to extend early gains.

By 3pm the Dow Jones Industrial Average was down 16.33 at 1,148.56. Turnover was moderate.

Wall Street is looking forward to the second quarter of the year with some recovery of confidence, albeit cautious. The short-term outlook for interest rates remains cloudy: the federal funds rate edged up again yesterday and the prospect of another rise in prime rates by the banks was not ruled out in the credit market.

However, the stock market seems to have discounted any further move in prime rates, or even in the Fed's discount rate, and there are expectations that upward pressures on interest rates will slacken as the expected slowdown in economic expansion begins to show through.

The early advance in the market was undermined at midsession when the federal funds rate moved from an opening 10 per cent, to 10½ per cent and then back to 10⅛ per cent.

The absence of any customer repurchase announcement when the funds rate touched 10⅛ per cent immediately suggested to the market that the Fed might have raised its funds target range at last week's meeting of the open market committee.

Dr William Griggs, of Griggs and Santow, the credit market specialists, commented that the market moved in anticipation of a new Fed target range of 7 per cent, which would set a benchmark of 10⅛ per cent for daily trading.

The bond market turned down and stock prices slipped from their best levels. Among major issues left hanging on to small gains, IBM at $114½ was $⅞ up. AT & T $¼ higher at $15¾, and General Motors $½ up at $65½.

The substantial rise in orders for the construction industry – the February increase was the largest for nearly 40 years – was reflected in a $¼ rise for Caterpillar Tractor to $51½.

Other heavy industrials to show minor gains included Ford Motor, $⅛ higher at $37⅛; International Paper, $⅛ up at $53⅞; and Raytheon, $1 better at $38⅞.

In the banking sector, the Argentine debt agreement, which has avoided serious write-offs against the earnings of U.S. creditor banks, brought a gain of $1⅛ to $36⅞ in Manufacturers Hanover and of $⅞ to $34⅞ in Citicorp, the two which carry the major burden of the debt.

A sprinkling of features included a rise of $2⅛ to $33 in Tandy, operator of the Radio Shack outlets for home computer sales, which is buying in 10m of its shares.

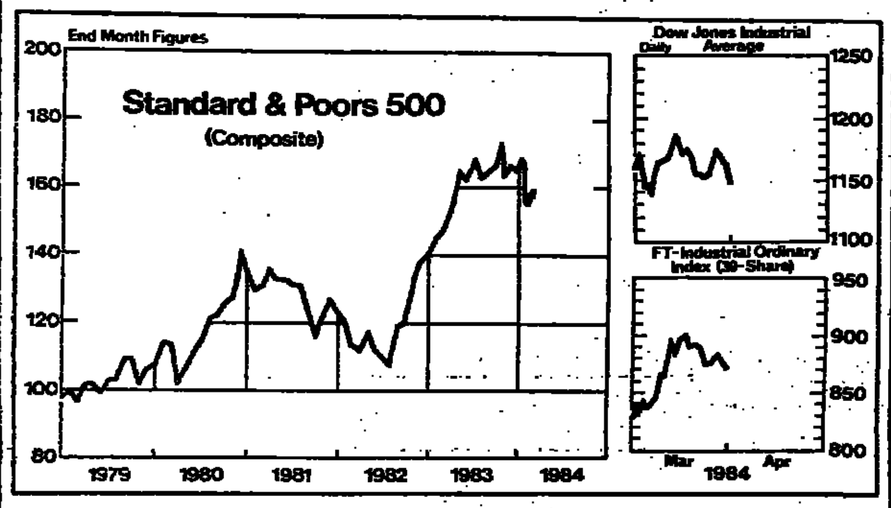
Walt Disney shed $1⅞ to $65⅛ as speculators tried to decide how to read the success of Mr Saul Steinberg – who recently bought a stake in Disney – in selling his Quaker State Oil holding back to the Quaker board.

While some hoped this would free Mr Steinberg to bid for Disney, others noted that he has usually preferred to sell share stakes back at a profit, rather than proceed to outright takeovers.

But the most active speculative issue was Carter Hawley Hale, the major store retailer which owns the Newman-Marcus Chain. BAT Industries – the UK tobacco group which already has a major stake in U.S. retailing through its ownership of Gimbels, Saks Fifth Avenue and Marshall Field – was rumoured as a possible bidder. Carter Hawley rose $1⅛ to $25, valuing the group at $875m.

Other suggestions were that the Los Angeles store group might be the target for a leveraged buyout.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	April 2	Previous	Year ago
DJ Industrials	1148.56*	1164.89	1130.03
DJ Transport	505.14*	510.19	507.39
DJ Utilities	126.25*	126.83	124.54
S&P Composite	158.99*	159.18	152.96
LONDON			
FT Ind Ord	870.8	877.0	654.0
FT-SE 100	1108 1	1112.5	877.8
FT-A All-share	522.95	524.20	412.09
FT-A 500	564.19	565.94	446.82
FT Gold mines	651.3	656.9	582.5
FT-A Long gilt	10.09	10.05	11.30
TOKYO			
Nikkei-Dow	11,050.19	10,968.41	8469.0
Tokyo SE	876.62	871.32	615.13
AUSTRALIA			
All Ord.	749.1	750.5	512.7
Metals & Mins.	529.3	530.4	469.3
AUSTRIA			
Credit Aktien	55.31	55.14	53.28
BELGIUM			
Belgian SE	146.72	146.78	116.16
CANADA			
Toronto Composite	2385.6*	2382.1	2156.0
Montreal Industrials	432.8*	432.33	362.84
Combined	406.02*	405.13	358.63
DENMARK			
Copenhagen SE	182.22	181.81	133.21
FRANCE			
CAC Gen	164.1	163.7	114.8
Ind. Tendance	104.6	104.7	72.9
WEST GERMANY			
FAZ-Aktien	348 41	348.69	301.44
Commerzbank	1022.6	1022.3	909.0
HONG KONG			
Hang Seng	1023.96	1014 38	996.01
ITALY			
Banca Comm.	217.25	218.85	212.81
NETHERLANDS			
ANP-CBS Gen	163.0	161.1	127.1
ANP-CBS Ind	131.5	130.1	108.4
NORWAY			
Oslo SE	268.93	262.79	153.63
SINGAPORE			
Straits Times	981.45	994 44	867.65
SOUTH AFRICA			
Golds	1002.0	1011.0	759.5
Industrials	1062.3	1066 8	834 8
SPAIN			
Madrid SE	closed	118.96	112.37
SWEDEN			
J & P	1579.74	1567.26	1269.4
SWITZERLAND			
Swiss Bank Ind	369 7	368.3	314.2
WORLD	March 30	Prev	Year ago
Capital Int'l	189 6	189.0	165.8

GOLD (per ounce)

	April 2	Prev
London	$383.75	$388.25
Frankfurt	$384.50	$388.75
Zürich	$387.50	$388.75
Paris (fixing)	$388.42	$389.76
Luxembourg (fixing)	$387.95	$389 30
New York (April)	$387 60	$397.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR April 2	U.S. DOLLAR Previous	STERLING April 2	STERLING Previous
$	–	–	1.4355	1.4425
DM	2.602	2.5895	3.75	3.7375
Yen	224.6	224.4	322.5	324.0
FFr	8.0055	7.9775	11.49	11.505
SwFr	3.154	2.15	3.095	3.105
Guilder	2.937	2.922	4.2175	4.215
Lira	1616.5	1614.0	2320	2327.0
BFr	53.12	53.06	76.25	76.55
C$	1.27525	1.27725	1.8305	1.8415

INTEREST RATES

Euro-currencies (3-month offered rate)	April 2	Prev
£	9	9
SwFr	3 11/16	3 11/16
DM	5 11/16	5 11/16
FFr	14⅝	14⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅞	10 13/16
6-month U.S.$	11	11 1/16
U.S. Fed Funds	10⅛*	9¾
U.S. 3-month CDs	10.25*	10.30
U.S. 3-month T-bills	9.65*	9.68

U.S BONDS

Treasury		April 2* Price	April 2* Yield	Prev Price	Prev Yield
11½	1986	99 20/32	11.53	99 24/32	11.57
12⅜	1991	99 20/32	12.45	99 18/32	12.47
11.75	1993	95 27/32	12.50	95 24/32	12.51
12	2013	95 30/32	12.52	95 27/32	12.53
Corporate		April 2* Price	Yield	Prev Price	Yield
AT & T					
10⅜	June 1990	91	12.50	91	12.50
3⅞	July 1990	71	10.30	70¼	10.50
8¾	May 2000	71⅝	13.05	71½	13.00
Xerox					
10⅞	March 1993	88⅝	12.85	88⅝	12.85
Diamond Shamrock					
10⅞	May 1993	87¼	13.05	87¼	13.05
Federated Dept Stores					
10⅞	May 2013	81¼	13.15	81¼	13.15
Abbot Lab					
11.80	Feb 2013	90	13.50	90	13.50
Alcoa					
12¼	Dec 2012	91	13.50	91	13.50

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	66–11	66–22	66–09	66–07
U.S. Treasury Bills (IMM) $1m points of 100%				
June	90.00	90.06	89.99	89.97
Certificates of Deposit (IMM) $1m points of 100%				
June	89.17	89.25	89.16	89.13
LONDON				
Three-month Eurodollar $1m points of 100%				
June	89.12	89.13	89.06	89.04
20-year Notional Gilt £50,000 32nds of 100%				
June	108–21	109–10	108–20	109–07

COMMODITIES

(London)	April 2	Prev
Silver (spot fixing)	676.30p	670.15p
Copper (cash)	£1090.50	£1081.50
Coffee (March)	£2063.00	£2052.50
Oil (spot Arabian light)	$28.45	$28.45

LONDON

THE OPTIMISTIC outlook provided on export prospects by the Confederation of British Industry failed to generate any enthusiasm in London and leading shares, after a promising start, gave up small gains to close widely lower on the session.

The FT Industrial Ordinary index captured the early firmness with a gain of 1.6. But the advance was given up, and by the close the index was down 6.2 on the day at 870.8, its lowest level since March 14.

Commercial Union Assurance continued to attract demand, however, on speculation that the group was about to dispose of its U.S. interests. It closed up 5p at 231p, after 236p.

Slightly better U.S. bond values late on Friday encouraged a steady opening tone in government securities. But sterling's renewed easiness against the dollar later exerted selling pressure and longer-dated gilts moved progressively easier to close a net ½ lower in places. The shorts were similarly affected and settled with falls ranging to ¼.

Chief price changes, Page 28; Details, Page 29. Share information services, Pages 30–31

HONG KONG

THE SLIDE in share values in Hong Kong was apparently judged to have gone far enough yesterday.

The market again opened easier with the Hang Seng index dipping a further 32.55 to 981.83 at mid-morning. However, at this level, both local and foreign investors decided the time was ripe to re-enter the fray as bargain hunters, boosting the index to 1,023.96, for a gain on the day of 9.58.

The index was still 94.89 down on last Wednesday's close, however, which reflected sentiment ahead of Jardine Matheson's plan to transfer its ultimate holding company to Bermuda.

SINGAPORE

INTEREST RATE uncertainties in the wake of recent rises in bank prime rates left Singapore lower.

Projections from Bank Negara that large budget and current account deficits would retard Malaysian economic growth also depressed sentiment.

The Straits Times index fell 12.99 to 981.45, although much of this decline was attributed to a steep 65 cent drop in Times Publishing to S$8, on profit-taking following its one-for-four scrip issue.

AUSTRALIA

QUIET TRADING greeted the first day of deregulated brokerage rates in Sydney, and shares ended mixed.

The All Ordinaries index which was down more than 4 at one stage, rallied to end 1.4 easier on the day at 749.1.

BHP fell 10 cents to A$14.30 ex-rights in response to Friday's sharp rise which followed its strong third-quarter profit results.

SOUTH AFRICA

THE COMBINATION of an easier world bullion price and a firmer rand left gold and industrial shares lower in Johannesburg.

Among the major gold producers Kloof fell R2.25 to R63.25, while mining financials and other precious metals and minerals issues tended easier in sympathy.

Gencor slipped 25 cents to R27.25, De Beers 30 cents to R9.75 and Rustenburg Platinum 10 cents to R15.20.

CANADA

MODEST gains by the oil, metals and utilities sectors more than offset a sharp reverse by golds in Toronto and the market traded marginally higher.

In Montreal, small advances were achieved by industrials, utilities and banks, but papers were slightly easier.

TOKYO

Six of the best but slacker pace

BUYING interest among institutional and individual investors remained strong in Tokyo yesterday, leading the Nikkei-Dow market average to another all-time high for a sixth consecutive session, *writes Shigeo Nishiwaki of Jiji Press.*

The market was dominated by considerable buoyancy in early trading, with advances by some international popu-lars, non-ferrous metals, non-life insurances and securities houses.

The Nikkei-Dow climbed 81.78 from Saturday to 11,050.19, surpassing the 11,000 level for the first time. The index has thus gained 568 points in the past six sessions. But turnover decreased sharply to 659.89m shares from last Friday's 946.59m, reflecting growing concern over restrictions on margin trading and a possibility of a reactionary drop. Advances outnumbered losses 391 to 290, with 133 issues unchanged.

Spirited by steady economic recovery and strong business performance, many investors seemed determined to continue to buy equities until prices peaked, although they were concerned about rises being too rapid and a possible strengthening of curbs on margin transactions by the Tokyo Stock Exchange.

Non-ferrous metals drew popularity, with Nippon Mining rising Y15 to Y480 on heavy buying, prompted by its announcement of a promising gold mine discovery. Mitsubishi Metal was up Y33 to Y728, Sumitomo Metal Mining Y50 to Y1,650 and Dowa Mining Y15 to Y624.

In sympathy with last week's gains in city bank stocks, non-life insurances and securities houses attracted buyers. Tokio Marine and Fire Insurance firmed Y43 to Y708 and Sumitomo Marine and Fire Y40 to Y582. In the securities sector, Nomura spurted Y65 to Y950, Nikko Y63 to Y580, Daiwa Y41 to Y620 and Yamaichi Y42 to Y596.

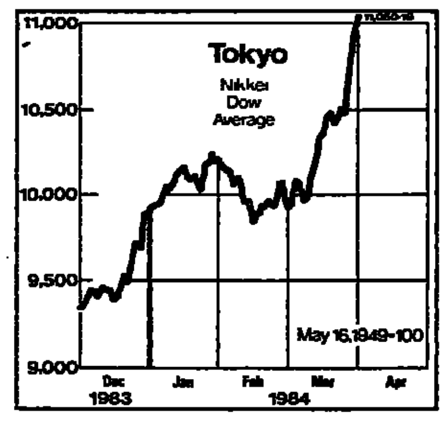
The giant electronics maker Hitachi turned in an erratic performance, gaining Y24 in early trading, slackening and then closing at a record Y984, up Y15 from last Saturday. The previous peak of Y980 was reached last Friday.

Reflecting Hitachi's strong performance, other international populars gained ground, with Matsushita Electric Industrial surging Y50 to Y1,950 and Toyota Motor Y40 to Y1,410.

Konishiroku Photo was bought heavily in early trading on its development of a colour printing paper which is claimed to preserve printed colours for 100 years. The stock registered a maximum allowable rise of Y100 to Y765.

Bond prices firmed due to optimism about the future movement of U.S. interest rates and the yen's firmness against the dollar.

Although trading in the over-the-counter bond market was relatively slow, the yield on the benchmark 7.5 per cent government issue, due in January 1993, fell further to 7.145 per cent from Saturday's 7.16 per cent.



EUROPE

Ready but still waiting

ISOLATED corporate events provided the only pointers to trading enthusiasm yesterday in a session which left the European bourses much as they started – attuned to any further glimmers of a Wall Street revival, generally holding steady, but bereft of the volume of business needed to fuel a substantial advance.

Brussels held up well in the face of the general strike called for today to oppose the implementation of the austerity package enacted at the weekend. The exchange's general index edged just 0.06 lower at 146.72, while a BFr 50 fall in market leader Petrofina at BFr 7,230 was viewed by local operators as indicating no fundamental disquiet.

UCB in chemicals was among those to gain, up BFr 45 to BFr 4,870. A maintained net dividend from retailer GB-Inno-BM brought it a BFr 5 firmer result at BFr 3,120.

Advances in **Amsterdam** led declines two-to-one as Royal Dutch added Fl 2 to Fl 154.80 and Philips, amid its moves to adjust to the video recorder market, regained the Fl 50 level with a rise of 60 cents.

A jump of Fl 2.80 in builder Bos Kalis at Fl 43.60 was attributed to the international debt accord with Argentina, where it has sizeable projects under way.

Domestic bonds were barely changed.

Caution continued to dominate **Frankfurt**, with flat industrial output figures for February failing to help. Among the few to attract decent demand was Volkswagen, DM 3.30 higher at DM 210.80.

Thyssen could draw no impetus from its forecast of a break-even on non-steel operations this year and the endorsement of its strategy by shareholders, and slipped 60 pfg to DM 84.

A steady bond market allowed the Bundesbank to sell DM 18.9m in paper.

The start of spring holidays left **Paris** even quieter than recently, and among the few centres of activity was Michelin, as speculation surrounded the fate of the French Dunlop subsidiary. The rival tyre maker put on FFr 20 to FFr 885 in a market where declines had a small overall lead on advances.

A weak area was Creusot Loire, off FFr 2.40 at FFR 35.10.

Good **Stockholm** liquidity brought widespread gains neglecting only the drug sector, where Pharmacia shed SKr 4 to SKr 292. A change of corporate tack at Volvo was accompanied by a SKr 3 rise to the SKr 500 mark, while Skanska Cement jumped SKr 16 to SKr 576.

Selective foreign demand was felt in **Zurich** – identified particularly in Swissair, up SwFr 35 to SwFr 1,100, and in the major banks. UBS added SwFr 50 to SwFr 3,530.

In a quiet bond market a new 4½ per cent federal issue ended its first day at 98.85 per cent, off 45 basis points from the issue price.

Milan was beset by nerves as a judicial investigation into alleged financial improprieties extended to Italmobiliare – stock in which slid L4,550 to L47,000.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 2

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
20⅞	10⅛	AAR	.44	2.2	21	15	20⅛	19⅝	20⅛	+⅛
52⅞	31	ACF	1.40	2.8	634	873	51¼	50¾	50¾	-¼
22	15½	AMCA	n 1	5.8		13	17¼	17	17¼	+½
18⅞	13⅛	AMF	.50	3.6		221	14⅛	13⅞	13⅞	
41⅛	25¼	AMR Cp			7	3632	35	33⅞	33⅞	-⅝
20⅞	17⅞	AMR	pf2.18	12.		8	19	18⅞	18⅞	
41½	29⅞	AMR	pf2.13	5.9		278	37	36¼	36¼	
16⅛	5½	APL			3	52	11¼	11¼	11¼	
55¼	42½	ARA	2.05	4.8	9	29	43½	43	43	-¼
77¼	50¼	ASA	3a	4.7		304	64⅞	63½	63½	-1½
33¼	16⅛	AVX	s .32	1.6	21	82	21	20¼	20¼	-⅞
53⅞	38¼	AbtLab	1.20	2.9	14	1323	41¾	41⅛	41⅞	+⅛
30¼	23¼	AccoWd	.60	2.3	18	78	26½	26¼	26½	+¼
27½	19⅛	AcmeC	.40	1.9		74	21	20⅞	20⅞	-⅛
13	8⅝	AcmeE	.32b	3.2	63	6	10	10	10	
24⅞	12⅝	AdmDg	.04	.3	8	7	14¼	14	14⅛	-⅛
18¾	15⅛	AdaEx	2.11e	13.		44	15¾	15⅝	15¾	
19⅛	9	AdmMl	.28	1.5	9	33	18½	18¼	18½	+⅛
22	12⅞	AdvSys	.811	4.9	15	x13	16⅝	16⅛	16⅝	+⅛
18⅞	8⅞	Advest	.12	1.2	9	19	9¾	9⅝	9¾	
37½	15½	AMD	s		35	5321	23⅛	23	23	+½
24⅞	12½	Aerflx	s		13	34	13⅞	13⅝	13⅝	-¼
43½	33¼	AetnLf	2.64	7.2	11	1148	37⅛	36⅝	36¾	-¼
59⅞	54⅞	AetL	pf5.78e	9.5		50	55¾	55¼	55¼	-⅛
40½	20	Ahmns	1.20	5.2	6	412	23¼	23	23⅛	-½
7⅞	3	Aileen				96	4⅛	4¼	4⅞	+⅛
51	36½	AirPrd	1	2.2	12	458	45⅞	45½	45⅝	-⅜
30⅞	19	AirbFrt	.60	3.2	12	48	19¼	19	19	
3¼	1⅛	AlMoa	s		28	393	3¼	3⅛	3⅛	-⅛
33½	28⅞	AlaP	pfA3.92	14		20	29	d28½	28¾	-¼
7⅞	6½	AlaP	dpf.87	13		9	6⅝	6⅝	6⅝	
71	59	AlaP	pf8.16	14		270	59¼	59¼	59⅝	+⅛
24½	16¼	Alagsco	1.76	8.0	7	4	22⅛	22⅛	22⅛	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

12 Month High	12 Month Low
26⅛	16¼
27⅞	20
15½	2⅞
38⅛	29¼
28⅞	14⅞
28⅞	9½
34¼	27⅞
43	36
31½	20¼
48⅞	29⅞
7⅞	5
59¼	38
47⅞	34½
34¼	28⅞
38	25⅞
25½	18⅞
86½	73½
21¼	15½
28	21⅛
50½	38¼
24½	21⅛
12⅛	8¼
46¼	28¼
28⅞	18⅞
42½	30
45¼	38
33	23½
14½	7½
230	20¼
31¼	16⅞
21¼	13
23½	19¼
41	28⅞
36	25

Continued on Page 27

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AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 2

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 26

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on *the latest declaration.*

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

April. 2	Price Sch%	+ or —
Creditanstalt	220	+1
Goesser	328	+3
Interunfall	407	.....
Laenderbank	212	+1
Perlmooser	349	+3
Steyr-Daimler	151	
Veitscher Mag	214	+2

BELGIUM/LUXEMBOURG

April 2	Price Frs.	+ or —
ARBED	1,600	+35
Banq Int A Lux	3,200	.....
Bekaert B	3,370	+30
Ciment CBR	2,170	+15
Cockerill	239	+1
Delhaize	5,050	+10
EBES	2,510	.....
Electrobel	6,350	+40
Fabrique Nat	2,150	.....
GB Inno BM	3,120	+5
GBL (Brux)	2,450	—40
Gevaert	3,295	.....
Hoboken	6,100	+10
Intercom	1,965	—5
Kredietbank	6,980	+50
Pan Hldgs.	9,800	.....
Petrofina	7,230	—50
Royale Belge	8,250	.....
Soc. Gen. Banq	3,355	.....
Soc. Gen. Belge	1,765	+5
Sofina	5,740	.....
Solvay	4,000	
Tractionel	3,395	+20
UCB	4,870	+45
Vieille Mont	4,500	+5

DENMARK

Apr. 2	Price Knr %	+ or —
Aarhus Olie	325	.....
Andelsbanken	240	+2
Baltic Skand	520	+10
CopHandelsbank	220	.....
D. Sukkerfab	613	.....
Danske Bank	225xr	.....
East Asiatic	178	+3
Forenede Brygg.	885	.....
Forenede Damp.	185	.....
GNT Hldg.	460	.....
I.S.S.B.	615	.....
Jyske Bank	483	+4
Novo Ind	2,330	.....
Privatbanken	242	+1
Provinsbanken	287	.....
Smidth (F.)	230	.....
Sophus Berend.	1,180	.....
Superfos	465	.....

FRANCE

April 2	Price Frs.	+ or —
Emprunt 4½% 1975	1,865	—15
Emprunt 7% 1973	9,650	—20
CNE 3%	3,429	—36
Air Liquide	535	+8
BIC	421.1	+4.1
Bouygues	660	+8
BSN Gervais	2,485	+15
CIT-Alcatel	1,231	—9
Carrefour	1,646	+34
Club Mediter'n	826	.....
CFAO	636	—5
Cie Bancaire	465	—5
Cofimeg	229.8	+1.3
Creusot Loire	35.1	—2.4
Darty	870	+15
Dumez S.A.	690	.....
Eaux (Cie Gen)	524	+2
Elf-Aquitaine	229	+1.5
Gen. Occidentale	569	+1
Imetal	78.1	+0.6
Lafarge Coppee	358	+0.1
L'Oreal	2,297	.....
Legrand	1,890	+25
Maisons Phenix	271	.....
Matra S.A.	1,335	.....
Michelin B.	885	+20
Midi (Cie)	1,401	+16
Moet-Hennessy	1,455	+16
Moulinex	92.9	+0.4
Nord Est	48	+0.3
Pernod Ricard	714	—11
Perrier	530	+4
Petroles Fra.	226	+0.2
Peugeot S.A.	223.6	—2.4
Poclain	53	—1.8
Printemps Au	144	+4
Radiotech	290	+1.5
Redoute	1,099	+9
Roussel-Uclaf	858	+15
Schneider S.A.	118.4	—1.6
Sefimeg	255	+4.9
Skis Rossignol	1,271	—44
Telemech Elect	1,475	—15
Thompson (CSF)	306.1	—2.4
Valeo	279.9	—0.1

GERMANY

Apr. 2	Price Dm.	+ or —
AEG-Telef	99.3	—0.6
Allianz Vers	773	.....
BASF	166	+0.6
Bayer	170	.....
Bayer-Hypo	272	—0.6
Bayer-Verein	346	—1
BHF-Bank	283	.....
BMW	411	—1
Brown Boveri	216.1	—0.9
Commerzbank	160.3	+0.3
Cont'l. Gummi	132.9	+1.5
Daimler-Benz	556	+1.5
Degussa	396	+4
Demag	146	.....
D'sche Babcoc	158	—0.5
Deutsche Bank	381	+0.5
Dresdner Bankk.	176	+0.3
GHH	149	—1.5
Hochtief	520	+19
Hoechst	176.5	.....
Hoesch Werke	117	—0.5
Holzmann (P)	422	+1.8
Horten	197	+3.5
Kali und Salz	198	+4
Karstadt	265	—0.5
Kaufhof	249	+2.5
KHD	245	+2
Kloeckner	66.8	+0.3
Krupp	81	+1
Linde	375	+0.1
Lufthansa	164	+0.5
MAN	160.5	—2
Mannesmann	141.5	—0.4
Mercedes Hld.	499	.....
Metallgesell	235.6	+1.5
Muench Rueck	1,098	+45
Preussag	273	+5
Rhein West Elect	164	.....
Rosenthal	236	—4
Schering	357	+1
Siemens	397.1	+1.3
Thyssen	84	—0.6
Varta	176	—1
Veba	173.3	+0.9
V.E.W	123.2	+0.7
Verein-West	305	.....
Volkswagen	210.8	+3.8

ITALY

Apr. 2	Price Lire	+ or —
Banca Com'le	34,800	—690
Bastogi-IRBS	146	—0.4
Centrale	1,870	+40
Credito Varesino	5,488	—9
Fiat	4,342	+17
Finsider	37.4	+0.4
Generali Assicur	37,550	+200
Invest	3,410	—30
Italcomenti	48,980	—70
Montedison	223	+1
Olivetti	4,555	—45
Pirelli Co	3,047	+2
Pirelli Spa	1,550	+10
Snia BPD	1,640	—0.5
Toro Assic.	12,810	—30
do. Pref.	9,800	—90

NETHERLANDS

April 2	Price Fls	+ or —
ACF Holding	186.5	—2.5
AEGON	131	—0.5
Ahold	205.7	+1.4
AKZO	98.4xr	+1.8
ABN	398	+4
AMEV	157	+1.2
AMRO	74.7	—0.3
Bredero Cert	201	—3
Bos Kalis Westm.	43.6	+2.8
Buehrmann-Tet.	70	+1.5
Calland Hldgs.	36.3	—0.7
Credit Lyon'is Bk	54.1	—0.4
Elsevier-NDU	545	+10
Gist. Brocades	143.5	+1
Heineken	143	+1
Hoogovens	48.9	+0.9
Hunter Douglas	29	+1
Int Mueller	34.3	—0.7
KLM	187.5	+0.5
Naraden	41	—0.7
Nat Ned Cert	223.5	+2.5
Ned. Credit Bank	40	.....
Ned Mid Bank	162.5	+2
Nedlloyd	123.5	+1
Oce Grinten	242.5	—1
Ommeren (Van.)	29.5	—0.5
Pakhoed	67.9	+0.4
Philips	60	+0.6
Rijn-Schelde	3.6	—0.2
Robeco	324.5	+1
Rodamco	133.5	+0.1
Rolinco	320.5	+0.5
Rorento	202.7	.....
Royal Dutch	154.8	+2
Unilever	258	+1.5
VMF Stork	100	+3
VNU	151	+2.5
West Utr Bank	93	—0.7

NORWAY

April 2	Price Kroner	+ or —
Bergens Bank	155	—2
Borregaard	340	+5
Christiania Bk	160	
Den Norske Credit	156	
Elkem	166	+1
Norsk Data	273	
Norsk Hydro	564	
Storebrand	229	—2

SPAIN

Mar. 30	Price Pts%	+ or —
Bco Bilbao	291	—3
Bco Central	337	
Bco Exterior	233	
Bco Hispano	232	
Bco Santander	299	
Bco Vizcaya	385	—4
Dragados	143	—3
Hidrola	52.7	—0.5
Iberduero	55	
Petroleos	112	+0.5
Telefonica	82	

SWEDEN

April 2	Price Kronor	+ or —
AGA	365	+5
Alfa-Laval	325	—1
ASEA (Free)	540	—16
Astra (Free)	455	+5
Atlas Copco	134	+1
Boliden	445	+5
Cardo (Free)	455	+5
Cellulosa	165	—2
Electrolux B	291	+3
Ericsson	346	—2
Esselte	371	+4
Mo Och Domsjo	475	—7
Pharmacia	292	—4
Saab-Scania	400	+4
Sandvik	410	—25
Skandia	400	—1
Skan Enskilda	348	+6
SKF	217	.....
St. Kopparbergs.	760	+15
Sven Handelsbn.	211	+4
Swedish Match	278	+3
Volvo B (Free)	500	+3

SWITZERLAND

April 2	Price Frs.	+ or —
Alusuisse	854	.....
Bank Leu	3,850	+20
Brown Boveri	1,510	—10
Ciba Geigy	2,230	.....
do. (Part Certs)	1,730	.....
Credit Suisse	2,215	+5
Elektrowatt	2,700	+5
Fischer (Geo.)	675	—15
Genevoise	3,650	—150
Hoff-Roche PtCts	100,000	+250
Hoff-Roche 1/10	10,000	+25
Jacobs Suchard	6,675	+25
Jelmoli	1,815	+10
Landis & Gyr	1,410	+30
Nestle	4,980	+30
Oer-Buehrle	1,295	—5
Pirelli	250	.....
Sandoz (Br)	6,750	—25
Sandoz (PtCts)	1,050	+25
Schindler (PtCts)	590	+40
Swissair	1,100	+35
Swiss Bank	345	+5
Swiss Reinsce	7,650	.....
Swiss Volksbk	1,440	+20
Union Bank	3,530	+50
Winterthur	2,975	+10
Zurich Ins.	17,750	—50

AUSTRALIA

Apr. 2	Price Aust $	+ or —
ANZ Group	5.56	—0.04
Acrow Aust.	1.8	.....
Alliance Oil D.	0.8	—0.01
Ampol Pet	1.73	+0.01
Aust Cons Ind	1.76	—0.01
Aust. Guarant	2.6	+0.05
Aust. Nat. Inds	2.6	—0.05
Aust. Paper	2.02	+0.02
Bell Group	5.8	+0.1
Bond Corp Hldgs	1.5	.....
Boral	3.34	+0.02
B'ville Copper	2.67	—0.05
Brambles Inds	2.75	+0.05
Bridge Oil	2.95	—0.05
BHP	14.8xr	—0.1
CRA	6.0	.....
CSR	3.7	—0.1
Carlton Utd	4.0	.....
Castlemaine Tys.	4.4	+0.05
Coles (G.J.)	3.68	+0.02
Comalco "A"	3	+0.05
Consolidated Pet	1.08	—0.02
Costain Aust.	1.25	.....
Dunlop Aust.	1.63	—0.09
E.Z. Inds.	6.36	+0.04
Elders IXL	4.05	.....
Energy Res	1.5	—0.06

AUSTRALIA (continued)

Apr. 2	Price Aust. $	+ or —
[illegible]	[illegible]	[illegible]

HONG KONG

Apr. 2	Price H.K. $	+ or —
Bank East Asia	23	.....
Cheung Kong	9.35	+0.2
China Light	12.1	—0.1
Hang Lung Devel	3.45	—0.22
Hang Seng Bank	36.5	—6
HK Electric	6.7	+1.15
HK Kowloon Wh.	4.0	+0.1
HK Land	3.17	+0.05
HK Shanghai Bk.	8.85	+0.1
HK Telephone	47.5	—1.0
Hutchison Wpa	17.4	—0.1
Jardine Math	10.2	—0.5
New World Dev.	3.3	.....
Orient O'seas	2.6	.....
O'seas Trust Bk.	3.1	—0.05
SHK Props	7.0	+0.4
Swire Pac A	18.3	+0.8
Wheel'k Mard A.	3.57	+0.07
Wheel'k M'time	2.00	.....
World Int. Hldgs	2.15	+0.15

JAPAN

April. 2	Price Yen	+ or —
Ajinomoto	1,090	—10
Alps Electric	2,700	—50
Amada	1,340	+10
Asahi Chem	470	—3
Asahi Glass	795	+3
Bridgestone	580	+15
Canon	1,470	.....
Casio Comp.	1,350	—30
Chugai Pharm	1,070	.....
Citizen	605	—2
Daiei	698	+3
Dai Nippon Ptg	1,130	.....
Daiwa House	489	—1
Ebara	329	—1
Eisai	1,150	+10
Fanuc	10,050	+60
Fuji Bank	1,110	—40
Fuji Film	2,160	+40
Fujisawa	805	—10
Fujitsu	1,390	+20
Green Cross	1,880	—20
Hasegawa	404	+25
Heiwa Real Est.	684	+39
Hitachi	984	+15
Hitachi Credit	1,640	—40
Honda	1,110	+10
House Food	770	—7
Hoya	2,230	—30
Itoh (C)	319	+4
Ito.Yokado	2,300	+50
Iwatsu	2,040	.....
JACCS	400	+1
JAL	2,820	—120
Jusco	847	+2
Kajima	300	.....
Kao Soap	806	—4
Kashiyama	615	+20
Kirin	608	+5
Kokuyo	1,090	+10
Komatsu	495	—10
Konishiroku	765	+100
Kubota	335	.....
Kumagai	490	—5
Kyoto Ceramic	6,750	.....
Maeda Const.	510	—10
Makino Milling	1,500	.....
Makita	1,060	—30
Marubeni	282	+10
Marudai	650	+5
Marui	1,300	.....
MEI	1,950	+50
M'ta Elec Works	764	+31
M'bishi Bank	1,110	—40
M'bishi Corp.	557	.....
M'bishi Elec	445	—4
M'bishi Estate	557	+32

JAPAN (continued)

April. 2	Price Yen	+ or —
[illegible]	[illegible]	[illegible]
S'tomo Metal	167	—3
Taihei Dengyo	491	—1
Taisei Corp	219	—1
Taisho Pharm	915	—1
Takeda	698	+2
TDK	5,740	+110
Teijin	423	—19
Teikoku Oil	698	.....
Tokyo Marine	708	+43
TBS	820	+35
Tokyo Elect Pwr.	1,400	+30
Tokyo Gas	173	+1
Tokyo Sanyo	776	+29
Tokyo Style	780	—12
Tokyu Corp	315	—9
Toppan Print	785	—10
Toray	447	—5
Toshiba Elect	442	+7
TOTO	649	+13
Toyo Seikan	820	—8
Toyota Motor	1,410	+40
Victor	2,940	+10
Wacoal	770	+13
Yamaha	524	—14
Yamanouchi	1,290	+40
Yamazaki	784	+14
Yasuda Fire	385	+20
Yokogawa Bdge.	420	+7

SINGAPORE

Apr. 2	Price $	+ or —
Boustead Hldgs.	2.65	—0.05
Cold Storage	4.24	—0.12
DBS	9.75	+0.15
Fraser & Neave	6.05	—0.05
Genting	5.2	—0.1
Haw Par. Bros	2.57	—0.04
Inchcape Bhd.	2.86	—0.02
Keppel Shipyard	3.2	—0.08
Malay Banking	10.1	.....
Malay Brew.	6.75	.....
Multi Purpose	1.87	—0.05
OCBC	10.5	—0.1
OUB	4.36	—0.04
Sime Darby	2.52	+0.01
Straits St'mship.	1.58	—0.02
Straits Trdg.	5.8	—0.1
UOB	5.25	—0.05

SOUTH AFRICA

Apr. 2	Price Rand	+ or —
Abercom	2.8	—0.05
AE & CI	8.3	—0.35
Anglo Am Coal	29	.....
Anglo Am Corp.	24	—0.25
Anglo Am Gold	150.5	—1
Barclays Bank	21	—1
Barlow Rand	14.35	—0.05
Buffels	78.25	—0.25
CNA Gallo	2.85	.....
Currie Finance	5.25	.....
De Beers	9.75	—0.30
Driefontein	46.75	—0.25
FS Geduld	51.5	—1.75
Gold Fields S.A.	27.65	—0.35
Highveld Steel	6.2	—0.1
Nedbank	16.5	—0.25
OK Bazaars	19.75	.....
Protea Hldgs	3.35	+0.05
Rembrandt	27	—1
Rennies	14.25	—0.15
Rust. Plat	15.2	—0.1
Sage Hldgs	7.8	.....
SA Brews	7.7	+0.05
Smith (C.G)	26.25	.....
Tongaat Huletts	11.8	.....
Unisec	5.7	+0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 2.30 pm April 2

Sales	Stock	High	Low	Close	Chng
250	Abti Price	526	26	26	
500	Inland Gas	$14½	14⅛	14⅛	— ⅛
8780	Intpr Pipe	$27⅝	27⅝	27⅝	— ⅛
85	Inv GrA f	$37⅛	37⅛	37⅛	— ⅛
700	Jannock	$12½	12	12⅛	+ ⅛
337	Kam Kotia	150	150	150	— 4
1500	Kelsey H	$26½	26½	26½	
630	Kerr Add	$18½	18½	18½	— ⅛
2200	Scotts f	$13½	13⅛	13½	
14921	Shell Can	$26⅝	26⅝	26⅞	
3935	Sherritt	$10⅛	10⅛	10⅛	+ ⅛
630	Sigma	$15⅝	15	15	—1⅛
1314	SSears A f	$8⅛	8⅛	8⅛	— ⅛
5300	Slater B f	$6⅝	6⅝	6⅝	
700	Southm	$48	47½	47½	— ½

OVER-THE-COUNTER

Nasdaq national market, 3pm prices

Stock	Sales (Hnds)	High	Low	Last	Chng
MonuC 1.20	4	23¾	23¾	23¾	
MorFlo .07	38	13⅞	13⅝	13⅞	+ ⅛
MorKg .08e	112	9⅞	9⅞	9⅞	+ ⅛
Morrsn .40b	251	15⅛	14¾	14¾	— ⅛
Moseley	117	5⅛	5	5	
MotClb .20	52	13⅛	12⅞	12⅞	— ½
Multmd .60	50	35⅞	35	35¼	

N—N

Stock	Sales (Hnds)	High	Low	Last	Chng
NCA Cp	30	10½	10	10¼	
NMS	22	3⅞	3¼	3⅞	
NtCty s 1.90	7	28½	28¼	28¼	— ¼
NtCptr s .20	86	16¼	16	16¼	+ ¼
NData .40	44	17⅝	17⅝	17⅝	
NMicr s	517	11⅞	10⅞	10⅞	— ½

Continued on Page 36

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Bailey (B.)	45	+ 5
Brunning	124	+ 7
Bunzl	465	+23
Commercial U	231	+ 5
Cowan de Groot	39	+ 5
Gill & Duffus	210	+ 8
Goodman Bros.	16	+2½
Lowe (R. H.)	48	+10
Mellerware	153	+ 5
Micro Bus. Syst.	495	+30
Park Food	94	+10
Small & Tidmas	80	+ 8
Spring Ram	190	+ 8
Wiggins Group	71	+ 7
BP	480	+10
Lasmo	305	+10
Saxon Oil	337	+45
Balmoral Res.	42	+ 8
Metana Min.	202	+12

FALLS

Ex. 12½pc 1990	£107¾	— ⅜
Ex.12pc2013/17	£124	— ½
Amalg Ests	9½	— 3½
BPB Inds	310	— 10
Cable & W	345	— 8
Connells Est	135	— 8
Plessey	234	— 6
Reddicut	39½	— 3
Tate & Lyle	412	— 8
Aran Energy	51	— 9
Atlantic Res.	320	—100

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 27

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

AMERICAN STOCK EXCHANGE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

NEW YORK PRICES

Continued from Page 27

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders drift back after promising start on optimistic CBI survey

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Mar 26	Apr 5	Apr 6	Apr 16
Apr 9	Apr 26	Apr 27	May 8
Apr 30	May 10	May 11	May 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

The most optimistic predictions on UK manufacturing industry for five years made scant impression on London stock markets yesterday. Investors were unable to muster any enthusiasm over the Confederation of British Industry's bright view of export prospects and leading shares, after a promising start, gave up small gains to close widely lower on the session.

Occasional end-Financial year selling aggravated the drift lower in markets conscious of the temptation facing investors to cash in the sizeable gains of recent months before or shortly after the current tax year ends on Thursday. Other deterrents to short-term operators were the absence of top-name groups from this week's schedule of trading announcements, and the prospect of an extended trading account, covering the Easter holiday, when the current period ends on Friday.

The FT Industrial Ordinary share index captured the early firmness with a 10 am gain of 1.6. An hour later this was transformed into a net loss of 3.2 and at each subsequent count the index went lower to close 6.2 down on the day at 870.6, its lowest level since March 14. Features among situation stocks were far less frequent although Commercial Union Assurance continued to attract demand; speculation that the group was about to dispose of its U.S. interests brought a close of 5 up at 231p, after 236p.

Stanley Gibbon's introduction to the Unlisted Securities Market caused some confusion yesterday. Dealings took place at around 110p but the bargains were later cancelled because permission to deal had not been granted by the Stock Exchange. A statement is expected later this week.

Slightly better U.S. bond values late on Friday encouraged a steady opening tone in Government securities. But sterling's renewed easiness against the dollar later exerted selling pressure and longer-dated Gilts moved progressively easier to close at net ¼ lower in places. The shorts were similarly affected and settled with falls ranging to ⅛.

CU feature again

A weekend Press suggestion that Commercial Union was close to finalising the sale of its U.S. interests to American International and Aetna Life and Casualty ensured another lively speculative trade in CU; the shares, after last week's leap of 41, advanced initially to a new peak of 236p before closing a net 5 up on the day at 231p. Other Composites were more subdued, however, with Phoenix closing unaltered at 478p ahead of tomorrow's preliminary results. GRE, scheduled to announce annual figures on the same day, softened a couple of pence to 590p. Life issues fell away after a firm start although Pearl, at 790p, held on to a rise of 10; the results are due April 11. Hambro Life relinquished 6 to 412p, after 420p, and Legal and General gave up 2 to 483p, after 490p.

Still drawing strength from the relaxation of the strict taxation rules on capital allowances announced in the Budget and, heartened by the brighter outlook for Argentine loans, the major clearers continued firmly but closed below the day's best. Lloyds ended 8 better at 618p, after 620p, while NatWest hardened 2 to 682p, after 690p. Barclays put on 2 to 530p, after 535p, and Midland finished unaltered at 390p, after 395p. Dull last week on fears that the group might follow Jardine Matheson's lead and change its domicile, Hong Kong and Shanghai rallied 3 to 77p. Among Merchant banks, Minster Assets edged forward a penny to 140p in response to Press comment. Kleinwort Benson declined 5 to 420p; the group is acquiring Acli Government Securities, a primary dealer in U.S. Government securities for US$27.2m cash.

Meat wholesalers Meadow Farm Produce and shopfitters Havelock Europa both made successful debuts in the Unlisted Securities Market; the former, placed at 130p, opened at 150p and settled at 148p, while the latter opened at 80p and moved up to 85p compared with the placing price of 75p. Among other recently-issued equities, estate agents Connells came back 8 to 135p and Robertson Research slipped 10 to 247p.

Distillers firmed 3 to 263p following news of the £173m acquisition of Somerset Importers, which has sole U.S. import rights on three of their top brands—Johnnie Walker red and black label Scotch whiskies and Tanqueray Gin—from Esmark Inc. Elsewhere in the drinks sector, revived bid speculation lifted Scottish and Newcastle a fraction to 115p, after 116½p.

Sellers appeared of Building issues and recently-firm BPB Industries came back 10 to 310p. RMC lost 5 to 433p and Redland slipped 4 to 296p. Profit-taking in the wake of the recent annual results clipped 5 from Ibstock Johnsen at 205p and worries about a forthcoming television programme caused Barratt Developments to ease a couple of pence more to 130p. In contrast, Ben Bailey continued to draw strength from the good interim figures and gained 5 to a 1983-84 peak of 45p. Buying ahead of Friday's annual results lifted Exeter, Building 7 to 122p, while Wiggins Group met with renewed speculative support and rose 7 to 71p.

ICI slipped to 604p in thin trading prior to closing unchanged on balance at 606p. Among other Chemicals, Brent lost a couple of pence to 99p, but Arrow added that much at 69p. Hickson International improved 4 to 397p; the annual results are due on Thursday.

Leading Stores drifted lower for want of support. Gussies A lost 8 to 665p and British Home relinquished 4 to 231p, while Marks and Spencer softened 2 to 263p. Elsewhere, Goodman Bros advanced 2½ to 16p in response to Press comment, while Combined English improved 2 to 75p for the same reason. Cecil Gee gained 5 to 145p following details of the sale of its 1.295m shares in James Walker Goldsmith to H. Samuel. A "sell" recommendation clipped 3 from Readicut at 39½p.

Micro business up

Leading Electricals followed the general trading pattern and falls of 6 were marked against BICC, 257p, and Plessey, 234p. Elsewhere, Micro Business Systems featured with a gain of 30 to 495p in response to Press mention. Comment also stimulated sporadic interest in Pressac, which closed unaltered at 245p, after 247p. Satisfactory annual results left Mellerware 5 to the good at 153p. Mitel rallied 25 to 558p after last week's sharp setback following the sale of 2.43m shares by the chairman, Dr Michael Cowpland. Sound Diffusion, down 4 at 140p, failed to benefit from news of the proposed acquisition of Aplha Lifts, while Cable and Wireless came back 8 to 345p after last Friday's late upward flurry.

Engineers tended to drift lower in subdued trading, although losses were usually limited to a couple of pence in the leaders. Babcock met fresh selling and reacted afresh to 168, down 6. Disappointing preliminary figures left Molins 5 cheaper at 126p. Against the trend, McKechnie firmed 4 to 163p in response to favourable Press comment, while A. Wood advanced 10 to 57p on the sharply higher annual profits.

Buoyant on Friday, Foods turned easier in the absence of fresh support. J. Sainsbury slipped 7 to 523p and Dee Corporation came back 15 to 495p. Tate and Lyle lost 8 to 412p and S. & W. Berisford eased 4 to 195p. Against the trend in secondary issues, Park Food attracted support and rose 10 to 94p, while Pyke Holdings gained 8 to 205p in a restricted market.

Leading Hotels and Caterers mirrored the general trend. Grand Metropolitan shed 6 to 326p and Ladbroke lost 4 to 235p.

Pilkington lower

Occasional selling and lack of support saw the miscellaneous industrial leaders drift a few pence lower. Bowater, a strong feature last week on the proposed demerger of its U.S. interests, encountered fresh profit-taking and eased to 318p before closing only 3 cheaper on the day at 320p. Reckitt and Coleman were noteworthy for a fall of 10 to 495p, while Pilkington Bros., still reflecting fading bid hopes, gave up 7 at 316p. Cowan de Groot responded to week-end Press mention with a rise of 5 to 39p. Others to benefit from comment included Spring Ram, up 8 at 190p, and Dalgety, 4 better at 474p. Johnson Matthey drifted lower to close 8 cheaper at 260p on scattered offerings, while falls of 5 were marked against BET Deferred, 268p, Gripperods, 205p, and LRC International, 100p. Hong Kong stocks traded on a steadier note after last week's setback following Jardine Mattheson's decision to change domicile. JM hardened 3 to 93p and Hutchison Whampoa rallied 5 to 156p.

Paper/Printings were highlighted by Bunzl which jumped 23 to 465p in response to the proposed 100 per cent scrip-issue, bumper preliminary figures and confident remarks concerning current year prospects.

Secondary issues provided the *main features in Properties.* Amalgamated Estates slumped to 8p prior to closing a net 3½ down at 9½p following the increased half-year deficit and news that Linden Holdings' proposed purchase of a 19.3 per cent stake in the company had not been completed. Country and New Town, a rising market recently, lost 5 to 94p.

P & O Deferred improved initially to 297p but drifted back on lack of follow-through support to close unaltered at 295p. Robert H. Lowe featured Textiles, rising 10 to 48p on speculative buying.

North Sea oil explorers attracted further buying following an optimistic statement by the exploration director of Occidental, operator of the consortium about to commence drilling of the most northerly and deepest well yet in the North Sea. LASMO and Saxon Oil, which hold interests of 25 per cent and 10 per cent respectively in the imminent Occidental well on Block 219/20, were major beneficiaries. LASMO raced ahead to 315p prior to closing a net 10 up at 305p and Saxon Oil jumped to a year's best of 345p before ending the day 45 firmer on balance at 337p. Shell moved up 13 to 643p aided by another strong performance on the Amsterdam bourse by Royal Dutch, which improved almost a point to a 1983-84 high of £37. BP attracted persistent demand throughout the session and eventually closed 10 to the good at 480p.

Irish exploration issues, however, continued their recent dismal performance. Widespread rumours that the offshore Waterford well has failed to produce oil in commercial quantities led to renewed and heavy selling of participant Atlantic Resources, which plummeted to 290p before closing a net 100 lower at 320p — a fall of 190p in the last two trading days.

Up 20 last week following buying ahead of the annual figures scheduled for April 13, Gill and Duffus put on 8 afresh to 210p as demand continued.

Golds drift

The temporary Argentine debt solution prompted an easier trend in bullion and caused a widespread drift throughout the gold-related sectors of mining markets.

South African Golds were marked down at the outset and gave ground for the rest of the day owing to persistent small selling pressure. The Gold Mines index fell 5.6 to 651.3 while bullion gave up $4.5 to $383.75 an ounce.

South African Financials were similarly depressed — "Amgold" fell £1½ to £84 and Gold Fields of South Africa ½ to £15½ — but London issues showed gains of 3 common to Charter, 250p and Consolidated Gold Fields, 620p. Rio Tinto-Zinc, due to announce preliminary results on Wednesday-week, gave ground on lack of interest and closed 5 off at 688p.

Australians made progress in early dealings but this trend was reversed in after-hours trading as bullion and a number of base metals encountered selling pressure.

FINANCIAL TIMES STOCK INDICES

	April 2	March 30	March 29	March 28	March 27	March 26	year ago
Government Secs	83.02	83.19	83.25	83.19	83.81	83.19	80.97
Fixed Interest	86.72	86.75	86.72	87.06	86.94	86.83	82.89
Industrial Ord	870.6	877.0	881.8	875.8	875.0	869.5	654.0
Gold Mines	651.3	656.9	651.9	638.8	644.2	653.1	582.5
Ord. Div. Yield	4.39	4.35	4.34	4.37	4.36	4.39	4.88
Earnings, Yld.% (full)	9.86	9.80	9.65	9.72	9.81	9.48	10.13
P/E Ratio (net)	12.20	12.28	12.46	12.39	12.37	12.76	11.93
Total bargains (Est.)	30,502	28,420	26,362	29,148	28,865	30,411	26,305
Equity turnover £m.	—	331.7	315.70	317.58	388.76	344.33	327.92
Equity bargains	—	23,685	24,032	22,117	23,646	26,061	27,096
Shares traded (ml)	—	192.1	167.4	176.0	172.6	168.1	161.7

10 am 878.8. 11 am 873.8. Noon 873.0. 1 pm 872.0. 2 pm 871.8. 3 pm 871.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=11.56.

HIGHS AND LOWS / S.E. ACTIVITY

	1983/84 High	1983/84 Low	Since Compil'n High	Since Compil'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (21/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	901.4 (21/3/84)	598.4 (12/1/83)	901.4 (21/3/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.5 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

	March 30	March 29
Daily Gilt Edged Bargains	155.3	160.9
Equities Bargains	153.3	155.7
Value	670.4	640.7
5-day average Gilt Edged Bargains	163.0	164.0
Equities Bargains	154.9	162.2
Value	645.2	575.6

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (79)

BRITISH FUNDS (1)
Exch 3pc 1984

CORPORATION LOANS (1)
Bath 11¼ pc 1985

FOREIGN BONDS (1)
Japan 4pc '10 Ass.

BUILDINGS (2)
Bailey (Ben.) Manders

STORES (3)
Church Liberty N/V
Combined English

ELECTRICALS (5)
Godwin Warren Micro Bus. Systems
Fujitsu Toshiba Corp
Mellerware Intl

ENGINEERING (7)
Brasway Pratt (F.)
Camford Eng RHP
Glynwed Intl Williams Hldgs
McKechnie Bros

FOODS (2)
Low (Wm) Matthews (B.)

INDUSTRIALS (5)
Aaronson Bros Electrolux B
Cowan de Groot Sandhurst Marketing
Dalgety

INSURANCE (2)
Commercial Union Taisho Marine

LEISURE (1)
Scottish TV A

MOTORS (1)
Volvo

NEWSPAPERS (5)
Assoc Book Publishers Collins (William) A
Link House
Collins (William) Liverpool Daily Post

PAPERS (1)
Bunzl

PROPERTY (6)
Beazer (C. H.) Prop Sec Inv
Priest Marians Warner Estate
Prop Hldgs & Inv Wereldhave NV

TEXTILES (1)
Atkins Bros

TRUSTS (28)

OILS (4)
Burmah 8½pc Uns Ln 91/96 Royal Dutch
Petrofina S.A. Saxon

MINES (3)
Balmoral Res Mincorp
Metana Minerals

NEW LOWS (15)

BRITISH FUNDS (2)
Treas 15pc 1985 Exch 10pc 89A (£40 pd)

CANADIANS (1)
Can. Imperial Bank

STORES (1)
De Brett (Andre)

ELECTRICALS (6)
Cifer Telefusion
DBE Technology Telefusion A N/V
Multitone Elects Xylivx

ENGINEERING (1)
Norton (W. E.)

FOODS (1)
Slaters Foods

INDUSTRIALS (1)
Aeronite

OILS (2)
LASMO Ops Palliser Intl

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
Com. Union	34	226	+21
Bowater	17	323	−5
Robertson R N	16	257	−7
AB Electronic†	15	110pm	−10
Amalg Ests	15	13	−3
Phoenix Ass.	14	478	+21
Shell Trans	14	630	−3
BTR	13	480	−4
Cable & Wire	13	353	−10
Dalgety	13	470	+20
GEC	13	186	−1
Gus 'A'	13	673	−7
N. Sea & Gen Oil New	13	113	—
BP	12	470	−3

† Nil-paid

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Atlantic Resources	320	−100
BPB Inds.	310	−10
BP	480	+10
Commercial Union	231	+5
Grand Met.	326	−6
Ibstock Johnsen	205	−5
Lloyds Bank	618	+8
LASMO	305	+10
P&O Defd.	295	—
Saxon Oil	337	+45
Shell Transport	643	+13
Tate & Lyle	412	−8

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23
Apr 16	Apr 27	July 26	Aug 23

For rate indications see end of Share Information Service

Money was given for the call of Sellincourt, Amalgamated Estates, Datastream, JSD Computers, Aberfoyle, Eglinton, Jenks and Cattell, Hong Kong Land, Intervision, London and Liverpool, Balmoral, Westland, Birmid Qualcast, Asia Oil, A. G. Stanley, Aran Energy, Australia Oil and Gas, Maurice James, Commercial Union, Brunning Group, Hartogen Energy, T. Cowie, GEC, BL, F. J. C. Lilley, Desoutter, British Land, UKO International, Lonrho, Charterhall and Camford Engineering. No puts were reported, but double options were recorded in Barker and Dobson and B. Elliott.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	3	76	23
Corpns. Dom. and Foreign Bonds	2	11	66
Industrials	183	374	869
Fin. and Props.	85	106	332
Oils	22	30	68
Plantations	3	3	15
Mines	35	46	82
Others	38	94	73
Totals	373	741	1,546

FT-SE 100 INDEX

Close 1108.1 (−4.4)
Day's high 1115.9 (9.52 am)
Day's low 1108.1 (3.30 pm)
(Base value=1000 December 30 1983)

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section

EQUITY GROUPS & SUB-SECTIONS	Mon April 2 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Fri Mar 30 Index No.	Thurs Mar 29 Index No.	Wed Mar 28 Index No.	Tues Mar 27 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (202)	517.51	−1.0	8.79	3.54	14.76	522.72	524.07	522.05	524.25	445.57
2 Building Materials (24)	514.91	−1.4	10.34	4.26	12.08	522.09	521.28	519.80	521.24	431.90
3 Contracting, Construction (32)	763.54	−0.5	12.28	4.63	10.20	767.30	768.91	764.18	764.76	774.00
4 Electricals (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (62)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (195)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (47)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (87)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (51)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (484)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (120)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (106)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (746)	522.95	−0.2	—	4.39	—	524.20	524.77	521.14	521.40	412.09

FIXED INTEREST

PRICE INDICES	Mon Apr 2	Day's change %	Fri Mar 30	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.60	−0.09	118.71	—	2.99
2 5–15 years	132.92	−0.27	133.28	—	3.42
3 Over 15 years	142.67	−0.38	143.22	—	2.93
4 Irredeemables	154.17	−0.27	154.59	—	1.62
5 All stocks	131.24	−0.23	131.54	—	3.00
6 Debentures & Loans	109.42	−0.01	109.43	—	3.01
7 Preference	76.39	—	76.39	—	2.46

AVERAGE GROSS REDEMPTION YIELDS		Mon Apr 2	Fri Mar 30	Year ago (approx.)
British Government				
1 Low Coupons	5 years	9.97	9.94	9.40
2	15 years	10.09	10.05	10.23
3	25 years	9.70	9.66	10.18
4 Medium Coupons	5 years	10.59	10.54	10.41
5	15 years	10.56	10.51	11.45
6	25 years	10.02	9.97	10.76
7 High Coupons	5 years	10.72	10.66	11.52
8	15 years	10.78	10.73	11.25
9	25 years	10.18	10.13	10.89
10 Irredeemables		9.65	9.62	10.83
11 Debs & Loans	5 years	11.24	11.30	12.31
12	15 years	11.35	11.30	12.51
13	25 years	11.35	11.30	12.51
14 Preference		12.13	12.03	12.26

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECLASSIFICATION CORRECTION:— In Saturday's footnote Childs & Son should have read Chubb & Son.

MONTHLY AVERAGES OF STOCK INDICES

	March	Feb.	Jan.	Dec.
Financial Times				
Government Securities	83.21	82.74	83.15	82.90
Fixed Interest	86.96	87.03	87.15	86.13
Industrial	884.4	851.8	810.6	759.5
Gold Mines	681.2	616.4	541.9	576.5
Total Bargains	26,010	24,561	26,042	19,443
FT – Actuaries				
Industrial Group	510.25	486.05	482.35	457.65
500 Share	557.43	534.71	525.31	496.79
Financial Group	384.49	381.49	350.02	367.51
All-Share	515.19	490.70	491.58	464.97
FT-SE 100	1091.5	1036.9	1044.1	—

	March High	March Low
Industrial Ordinary	901.4 (21st)	855.3 (1st)
All-Share	531.00 (21st)	496.06 (1st)
FT-SE 100	1130.7 (21st)	1048.1 (1st)

EUROPEAN OPTIONS EXCHANGE

Series: GOLD C/P ($375–$425), SILVER C, ABN, AKZO, AMRO, GIST, HEIN, HOOG, KLM, NATN, PHIL, RD, UNIL — Vol. and Last for May, Aug., Nov.; Stock: $387.50, $9.73, F.205.70, F.98.40, F.74.70, F.143.50, F.146.90, F.49.20, F.187.50, F.223.50, F.50, F.164.80, F.208

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS 18,056

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Options (underlying price): B.P. (*480), Cons. Gold (*617), Courtaulds (*148), Com. Union (*232), G.E.C. (*185), Grand Met. (*326), I.C.I. (*604), Land Sec. (*284), Marks & Sp. (*265), Shell Trans. (*643), Barclays (*529), Imperial Gp. (*140), LASMO (*308), Lonrho (*146), P. & O. (*295), Racal (*214), R.T.Z. (*689), Vaal Reefs (*$151), Beecham (*311), Boots (*153), De Beers (*$817), Guest Keen (*205), Hanson (*193), Tesco (*196)

Option		CALLS Apr. / May	CALLS July / Aug.	CALLS Oct. / Nov.	PUTS Apr. / May	PUTS July / Aug.	PUTS Oct. / Nov.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Apr. 2. Total Contracts 4506. Calls 3,414. Puts 1,092.

*Underlying security price.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brint Invs. £1; Burmatex 10p; CPS Computer 20p; Cambium Venture 5p; C.J.R. Pacific Inv.; Do. Warrants; Circaprint Hlds.10p; Cluff Oil Warrants; Connells Estate Agents; Denmans Electrical; Dewey Warren 10p; Eng. & Int'l Tst. War.; Formdesign 20p; Hambros Inv. Tst. War.; Havelock Europa 10p; Horne (Robert) 20p; Do. N/V 'A' 20p; LPA Inds. 10p; Meadow F'm Prod 10p; Moreau Hldgs. 10p; Morgan Comm. 5p; Norbain Electro's 5p; Nth Sea & Gen. Oil £1; Osprey Communic'tns; Our Price 20p; Petranol 10p; Platon Intl.; Powerline Int'l 5p; Reed Stenh'se Gs. A; Do. Class C; Robertson Res'rch 10p; Sangers Photo. 10p; Scantronic 2½p; Shires Inv. Warrants; Systems Reliability 10p; Tod (W. & J.) 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+or−
87.918	£25	24/7	29¼	25	Asian Dev. Bk. 10¼% Ln. 2009	28¼	−¼
97.072	£25	1/7	28½	25¼	Brixton Est. 11½% 1st Mort. Deb. 2025	27½	−½
‖	F.P.	—	104p	98p	Baring Bros. 7½% Cum. Prf. £1	98p	
99.15	F.P.	22/5	104½	98½	Elf (U.K.) 12¼% Uns. Ln. '91	102½	
§100	F.P.	—	104	98	ERGO 15½% Uns. Cnv. Db. 1988/91 R12	103	
98.043	£30	—	32½	30½	Finland 11½% Ln. 2009	30½	−⅛
§96.548	F.P.	5/4	100½	98	Grainger Tst. 11½% 1st Mort. Deb 2024	100½	−⅛
‖	F.P.	27/4	115	102½	Hanson Tst. 8% Cnv. Un. Ln. 2004-09	114½	+½
99.714	£30	25/4	35¼	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	34¼	−⅛
§96.718	£25	15/6	27½	24¾	MEPC 10½pc 1st. Mort. Deb. 2024	25½	−⅛
¶101	F.P.	14/3	101½	99	Mid-Southern Wtr. 9½% Red. Prf. 1991	99	
‖	F.P.	—	100	99½	Nationwide 9½% 25/3/85	99½	
§97.60	£25	18/7	30	25¼	Province de Quebec 12¼% Ln. 2020	30½	−⅛
99.44	£25	13/4	30½	25¼	Queens Moat 12½ 1st Mort. Deb. 2013	30½	−¼
¶	F.P.	27/4	104½	100½	Scot. Northern Inv. Tst 11½% Cnv. Ln 2009	104½	
98.50	£25	11/5	27¼	24⅞	TR City of London 11½pc Deb. 2014	26½	−⅛

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+or−
400	Nil	—	120pm	80pm	A. B. Electronic	108pm	−2
65	Nil	—	57	41	Airship Inds. Units	60	
Fl.95	F.P.	26/3	£33¼	£22½	Akzo N/V Fl. 20	£22½	
530	F.P.	21/3	730	656	Applied Computer 10p	660	
215	Nil	—	117pm	106pm	Bowater £1	109pm	−1
A$7.5	Nil	2/5	268pm	215pm	Broken Hill Prop. A$2	258pm	+2
Ir.62p	Nil	5/4	48pm	1pm	Cement-Roadstone	1pm	
—	Nil	—	288	138	East Dagga Options	220	+7
450	Nil	—	35pm	28pm	Exco Intl.	31pm	
50	F.P.	12/3	66½	54	Greenwich Cable Comm.	55	
130	F.P.	9/4	20pm	17pm	Grosvenor Group	20pm	−1
80	F.P.	2/4	84	80	Hawley Group 12½p	80	−3
275	F.P.	9/3	326	307	Higgs & Hill	316	
40	Nil	16/4	9pm	1pm	Kimmed. Bus. Systems 10p	2pm	−1
137	F.P.	2/4	163	150	McCorquodale	157	
535	F.P.	14/5	910	745	Micro Focus 10p	910	
185	F.P.	21/3	211	205	Newmarket 5c	206	
16	Nil	21/3	31pm	27pm	Sheafbank Property 10p	31pm	+1
35	Nil	—	9pm	2pm	Sutcliffe Speakman	2pm	
50	Nil	12/4	32pm	16½pm	TSL Thermal Syndicate	24pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters (or fully-paid). ■ Introduction. ● Unlisted Securities Market. ‡ Placing price. †† Official London Listing. * Offered as units, comprising one ord and one N/V A ord. † Offered at ... Pfd. share of 1p and 50p of 12 per cent Conv. Ln. stk. 1986-90. ‡ No par value.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	15½	.....	—	—	—
52	28	♥Allstate Expl'n. NL	30	.....	—	—	—
10½	3⅞	♥Asia Oil & Minerals	8	.....	—	—	—
19	17	♥Aust. Hydrocarbns NL	18	.....	—	—	—
40	9	♥Australis Mng NL	27½	.....	—	—	—
42	11	♥Balmoral Res	42	+8	—	—	—
60	29	♥Black Hill Mins	30	.....	—	—	—
104	51	♥Bond Corp	97	.....	Q10c	0.7	6.7
183	116	♥Bougainville 1 Kina	174	−1	Q16.4c	1.2	6.1
396	204	♥CRA $2	388	.....	Q12c	ϕ	2.0
145	60	♥Carr Boyd 20c	78	+2	—	—	—
44	25	♥Central Kalgoorlie	30	.....	—	—	—
43	18	♥Central Pacific	21½	+½	—	—	—
9	2¼	♥Cons Gld Mg Areas NL	3¼	.....	—	—	—
17	5	♥Coopers Res. NL	7½	.....	—	—	—
255	183	♥Crusader Oil	200	−2	—	—	—
28½	8	♥Cultus Pac NL	11	.....	—	—	—
19	7	♥Eagle Corp 10c	9½	−½	—	—	—
275	96	♥Emperor Mines	275	.....	—	—	—
16½	8	♥Endeavour 20c	11¾	.....	—	—	—
58	17	♥Enterprise Gld	28	.....	—	—	—

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value or declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B Fr. Belgian Francs. Fr. French Francs. ◊◊ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

			Fin. 13% 97/02	£92¾	.....
Albany Inv 20p	76	.....	Alliance Gas	70	.....
Craig & Rose £1	900	.....	Arnott	235	.....
Finlay Pkg. 5p	48	.....	CPI Hldgs.	22	.....
Higsons Brew	105	−5	Carroll Inds.	118	.....
Holt (Jos) 25p	870	.....	Hall (R. & H.)	69	+5
IoM Stm. £1	158	.....	Heiton Hldgs.	20	−1
			Irish Ropes	53	.....
IRISH			Jacob (W.& R.)	65	.....
Exch. 12% 1985	£98⅝	.....	TMG	50	.....
Nat. 9¾% 84/89	£88¾	.....	Unidare	70	.....

OPTIONS

3-month call rates

Industrials		Hawker Sidd.	38	Vickers	14
Allied-Lyons	15	Hse of Fraser	26	Woolworth Hldg	50
BOC Grp	27	ICI	42		
BSR	26	"Imps"	12	**Property**	
Babcock	17	ICL	7½	Brit Land	11
Barclays Bank	45	Ladbroke	23	Cap Counties	16
Beecham	32	Legal & Gen	45	Land Secs	25
Blue Circle	40	Lex Service	40	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
Bowaters	25	"Lofs"	3	Samuel Props	12
Brit Aerospace	20	Lucas Inds	18	Sterling Guar	4
BAT	15	"Mams"	14		
Brown (J.)	3	Marks & Sper.	20	**Oils**	
Burton Ord	22	Midland Bk	36		
Cadburys	11	NEI	10	Brit. Oil & Min.	9
Comm Union	16	Nat West Bk	60	Brit Petroleum	35
Courtaulds	11	P & O Dfd	25	Burmah Oil	17
Debenhams	14	Plessey	20	Charterhall	9
Distillers	22	Racal Elect	18	Premier	6
Dunlop	5	RHM	8	Shell	55
FNFC	6¼	Rank Org Ord	24	Tricentrol	20
Gen Accident	42	Reed Intnl	40	Ultramar	60
Gen Electric	16	Sears	8		
Glaxo	70	TI	22	**Mines**	
Grand Met	30	Tesco	16	Charter Cons	24
GUS "A"	55	Thorn EMI	55	Cons Gold	58
Guardian	50	Trust Houses	18	Lonrho	12
GKN	20	Turner Newall	10	Rio T Zinc	60
Hanson Tst	17p	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 37

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

Colonial Mutual Group				
24 Ludgate Hill EC4P 4BD.			01-248 9861	
Capital Life Assurance				
Pcmkr Inv Fd	—	130.1	....	—
Equity Fd	115.61	121.69	....	—
Fxd Int Fd	109.34	115.09	....	—
Propty Fd	103.49	108.94	....	—
Cash Fd	101.91	107.27	....	—
Managd Fd	118.91	125.17	....	—
Col Mut Life (Pension Annuities)				
ManCpA.B	106.13	111.72	....	—
Man A.B	106.77	112.40	....	—
Commercial Union Group				
St Helens, 1 Undershaft, EC3.			01-283 7500	
VarAnnAccUts	—	167.99	....	—
VarAnnApr 6	—	36.42	....	—
Prime Series—Life				
Managed	141.2	148.7	....	—

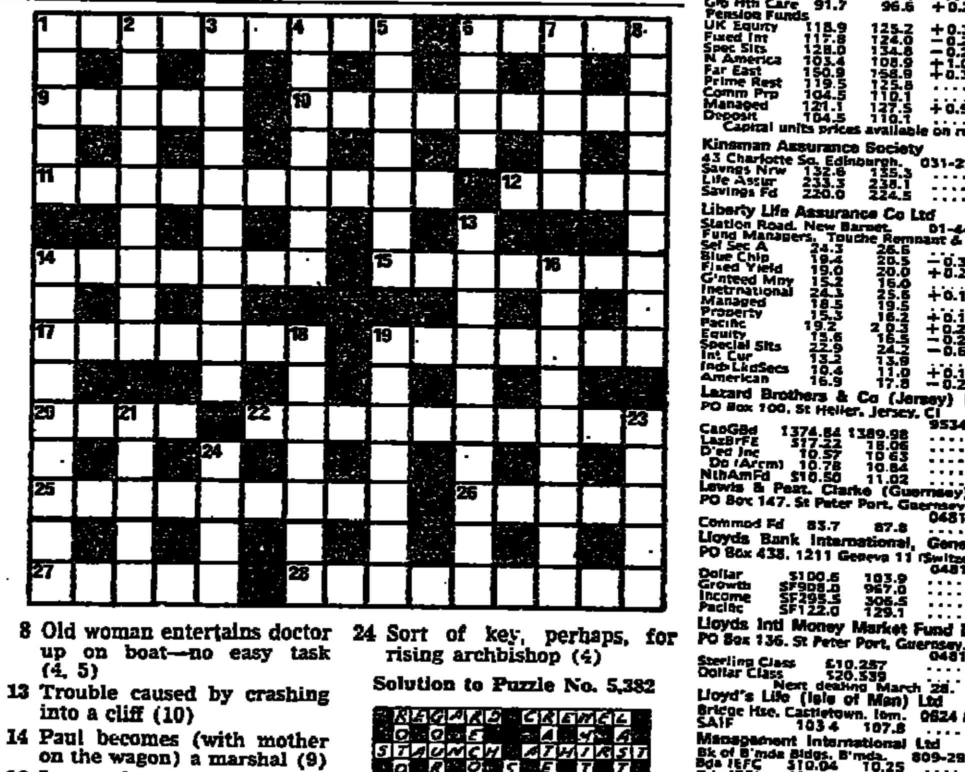
Offshore & Overseas—continued

Lloyds Bank International, Geneva				
PO Box 438, 1211 Geneva 11 (Switzerland)			0481 24983	
Dollar	$100.6	103.9	....	10.0
Growth	SF908.0	967.0	....	1.2
Income	SF295.5	306.5	....	6.8
Pacific	SF122.0	129.1	....	1.0
Lloyds Intl Money Market Fund Ltd				
PO Box 136, St Peter Port, Guernsey.			0481 24983	
Sterling Class	£10.257		....	8.35
Dollar Class	$20.539		....	8.39
Next dealing March 28.				
Lloyd's Life (Isle of Man) Ltd				
Bridge Hse, Castletown, Iom.			0624 824151	
SAIF	103.4	107.8	....	—
Management International Ltd				
Bk of B'mda Bldgs, B'mda.			809-295-4000	
Bda IEFC	$10.04	10.25	....	—
Bda IBFI	$11.28	11.41	....	—
Prices March 28. Next dealing April 4.				
Bda IEFC	$10.04	10.24	....	—
Bda IEFIE	$9.89	10.09xd	....	—
Prices March 22. Next dealing March 28.				
Manufacturers Hanover Geofunds				
PO Box 92, St Peter Port, Guernsey.			0481 23961	
LA Inc	$103.64	103.85	....	9.34
LA Acc$	$131.04	131.31	....	9.43
MIT Inc	$113.93	114.61	....	8.56
MIT Acc	$134.87	135.58	....	7.55
Geofund International Reserves Ltd				
Sterling		£5.279	....	7.52
U.S.		$10.594	....	9.22
D-Mark		DM20.619	....	4.46
Swiss Franc		SwFr20.367	....	2.02
Jap Yen		Y2,071.9	....	5.74
Managed Fd		$10.842	....	13.25

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,383



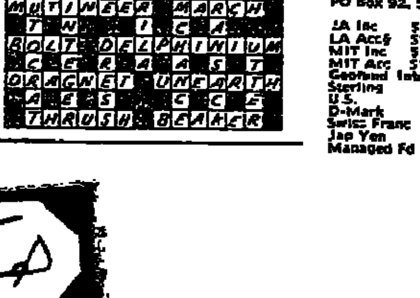
ACROSS

1 Sailors of Avon? (4, 5)
6 Steal and cook (5)
9 Information from fabulous monster, in short (5)
10 Rock where brig capsized—place of sacrifice (9)
11 Jazzy sort of dance with Topsy (10)
12 Boastful game? (4)
14 Sea-beast fed among locks, perhaps (7)
15 Material for Welsh and Greek characters (7)
17 Exit from store 100 with a cry (4, 3)
19 Nothing left in store to betray? (4, 3)
20 Tomboy's caper (4)
22 Possibly functional conclusion of fight (5, 5)
25 Article on food in net for New English island (9)
26 Nitre maybe inactive (5)
27 Rustic in bondage to the pound (5)
28 HQ of the Buffs in Kent? (9)

DOWN

1 Go up in transport that's fake (5)
2 They are weeded out from the unfinished piece of cricket (9)
3 Foot points out the easy way (4, 6)
4 Kit's sledge incorporating a silencer (7)
5 Topic dependent on another (7)
6, 7 Insincere elements in drama? (4-5)
8 Old woman entertains doctor up on boat—no easy task (4, 5)
13 Trouble caused by crashing into a cliff (10)
14 Paul becomes (with mother on the wagon) a marshal (9)
16 Income from volume coming up—about two-thirds of it Northern (9)
18 Lean on king's ring: that's your opinion? (5, 2)
19 Prize ram to get going (5, 2)
21 Pole in fur in Russia (5)
23 I leave a painter, a superman (5)
24 Sort of key, perhaps, for rising archbishop (4)

Solution to Puzzle No. 5,382



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INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum.	136.8	144.0	-0.4	—
Do. Initial	130.9	137.8	-0.4	—
Universal Tec. Acc.	92.6	97.5	-0.4	—
Do. Initial	91.3	96.2	-0.4	—
Man. Pens. Accum	273.3	287.7	.....	—
Do. Initial	222.3	234.1	.....	—
Gilt-Edg. Pens. Accum.	224.8	236.7	.....	—
Do. Initial	175.9	185.2	.....	—
Money Pens. Accum	194.6	204.9	.....	—
Do. Initial	154.4	162.6	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd		248.57		
Managed Inv. Fd.	167.90	176.74	.....	—
Property Fd.	153.56	161.65	.....	—
Fixed Interest Fd.	149.17	157.02	.....	—
Cash Fd.	138.42	145.71	.....	—
Income Fd.	195.19	205.47	.....	—
Extra Income Fd.	189.34	199.36	.....	—
Worldwide Growth Fd.	222.77	234.50	.....	—
Balanced Fd.	191.43	201.51	.....	—
Smlr Co's & Recy. Fd	226.65	238.58	.....	—
Int. Technology Fd	250.17	263.34	.....	—
Nth. Amer. & Gen. Fd.	143.51	151.57	.....	—
Energy Int. Fd.	106.85	112.48	.....	—
Pacific Basin Fund	152.31	160.33	.....	—

British National Life Assurance Co. Ltd.
Hartands Rd, Haywards Heath. 0444 414111

Managed	112.2	128.7	.....	—
Property	126.5	132.9	.....	—
Equity	132.8	139.8	.....	—
International	135.3	142.5	.....	—
Fixed Interest	107.9	113.6	.....	—
Deposit	102.0	107.3	.....	—
Managed Pen. Cap.	122.5	128.7	.....	—
Property Pens. Cap.	128.4	135.1	.....	—
Equity Pens. Cap.	127.9	134.7	.....	—
Intnl. Pens. Cap.	140.3	147.9	.....	—
Fixed Int. Pens. Cap.	103.0	108.5	.....	—
Deposit Pens. Cap.	98.6	103.8	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		103.6	.....	—
Rtmt. Fed. Mar 6		275.2	.....	—
Managed Pen Fund	195.3	205.6	+5.1	—
Property Pen Fund	115.6	121.7	-2.3	—
Index Lnkd Pen Fund	110.0	115.7	-1.2	—
Managed	130.3	137.2	+0.3	—
Property	106.4	112.1	+0.1	—
Gilt and Fixed Interest	110.6	116.5	+1.5	—
Index-Linked	96.2	101.3	.....	—
Equity	132.7	139.7	-0.2	—
Cash	107.2	112.9	.....	—
Midland Bk. Unit Tst.	131.0	137.9	.....	—
Midland Bank Intnl.	152.0	160.1	.....	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£42.78	—	-0.15	—
Property Units	£17.56	—	.....	—
Equity Bond/Exec	£27.62	29.23	+0.10	—
Prop. Bond/Exec	£22.95	24.29	-0.01	—
Bal. Bd./Exec/Unit	£24.60	26.03	+0.05	—
2nd Equity Acc.	214.6	227.1	+0.8	—
2nd High Inc/Acc	177.9	188.3	+6.9	—
2nd Property Acc	174.8	185.0	.....	—
2nd Managed Acc.	178.0	188.4	+0.5	—
2nd Deposit Acc	148.1	156.7	+0.2	—
2nd Gilt Acc.	149.2	157.9	-0.1	—
2nd American Acc.	164.2	173.8	+1.1	—
2nd Intl Money Acc	148.3	156.9	+0.4	—
2nd Index Acc.	97.7	103.4	.....	—
2nd Far East Acc.	109.1	115.4	+0.8	—
2nd Eq. Pens./Acc	307.6	325.5	+1.1	—
2nd Hi Inc Pens/Acc.	190.7	201.8	+1.0	—
2nd Prp. Pens/Acc.	225.5	238.6	.....	—
2nd Mgd. Pens/Acc	230.3	243.7	+0.5	—
2nd Dep. Pens/Acc.	197.3	208.8	+0.3	—
Gilt Pens/Acc	195.6	207.0	-0.1	—
2nd Am. Pens/Acc	224.0	237.0	+1.4	—
2ndInt MoneyPens/Acc	183.9	194.6	+0.7	—
2nd Index Pens./Acc.	104.2	110.3	.....	—
2nd Far East Pens/Acc.	110.9	117.4	+1.0	—
L & E S.I.F.	77.5	82.0	+0.4	—
L & E S.I.F. 2	52.0	55.0	.....	—

Current value at March 30.

Capital Life Assurance
Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund.	126.7	133.4	.....	—
GT Pln High Yld Fnd.	136.0	143.2	.....	—
GT Plan Far East Fnd	142.4	149.9	+0.7	—
GT Plan N. Am Fd	123.4	129.9	+0.3	—
GT Pln UK&G.E. Fnd	156.4	164.7	+0.2	—
GT Pln Wrldwde Fnd.	149.6	157.5	-0.1	—
GT Pension Bnd Fnd.	139.0	146.4	-0.1	—
GT Pen High Yld Fd	157.9	166.3	-0.1	—
GT Pen Far East Fd	179.0	188.5	+0.8	—
GT Pen N. Am. Fd	172.7	181.8	+0.9	—
GT Pen UK & G.E. Fd	182.0	191.6	+0.5	—
GT Pen Worldwide Fd.	160.7	169.2	-0.1	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.6	179.6	.....	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		269.0	.....	—
Portfolio Fd. Init.		218.1	.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	286.8	302.2	.....	—
Money Fd	158.7	167.1	.....	—
Equity Fd.	244.1	257.2	.....	—
Fixed Int. Fd.	121.9	128.5	.....	—
Property Fd	176.2	185.7	.....	—
Managed Pen. Fd.	282.5	296.7	.....	—
Equity Pension Fd	183.3	193.1	.....	—
Fixed Int. Pen. Fd.	173.5	182.8	.....	—
High Yield Pen. Fd	170.8	180.0	.....	—
Money Pension Fd.	132.5	139.4	.....	—
Property Pension Fd	129.9	136.9	.....	—
Gresham/Framlington				
American & Gen. Fd.	228.8	241.1	+1.0	—
Income Fd	219.2	231.0	+0.6	—
Int'l. Growth Fd	272.7	287.4	+0.3	—
Capital Fund	227.0	239.2	+0.6	—
Recovery Fund	168.4	177.4	+0.3	—
Japan & Gen Fd	106.6	112.3	-0.4	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	£1,536	—	.....	—
Landbank Secs.	£0.6674	—	.....	—
Landbank Secs. Acc.	189.2	194.1	.....	—
G. & S. Super Fd	£11.5398	—	.....	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance				
Property Bonds	313.5	326.5	+5.1	—
GRE Linked Assurance Ltd.				
Managed Initial	233.2	245.5	+1.1	—
Do. Accum	261.6	275.4	+1.3	—
Equity Initial	300.8	316.7	+1.4	—
Do. Accum	337.4	355.2	+1.6	—
Fixed Int. Initial	200.2	210.7	-0.5	—
Do. Accum.	224.5	236.3	-0.5	—
Intnl. Initial	217.1	228.5	-1.5	—
Do. Accum	243.5	256.3	-1.6	—
North American Initial	93.6	98.5	-0.9	—
Do. Accum	95.5	100.5	-0.9	—
Pacific Initial	117.0	123.2	-0.3	—
Do. Accum	118.3	124.6	-0.3	—
Index-Linked Gilt Init.	91.8	96.6	.....	—
Do Accum	93.7	98.6	.....	—
Property Initial	123.5	130.0	.....	—
Do Accum	138.5	145.8	.....	—
Deposit Initial	124.5	131.0	+0.1	—
Deposit Accum.	139.6	146.9	+0.1	—
GRE Pensions Management Ltd.				
Pens. Managed Initial	235.2	247.6	+0.7	—
Pens. Managed Acc.	257.8	271.4	+1.9	—
Pens. Equity Initial	321.1	338.0	+3.8	—
Pens. Equity Acc.	352.0	370.5	+4.2	—
Pens. Fxd. Int. Initial	208.8	219.8	-0.5	—
Pens. Fixed Int. Acc.	228.9	241.0	-0.5	—
Pens. Int'l Initial	213.4	224.7	+0.2	—
Pens. Int'l. Acc.	234.0	246.0	+0.2	—

Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Hambro Life Assurance P.L.C.
Allied Hambro Ctr, Swindon, SN1 1EL 0793 28291

...

Perpetual UT Mngrs (Jersey) Ltd
PO Box 459, St. Helier, Jersey 0534 74537

Offshore Gr	$1.219	1.296		1.00

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	$4.02	4.33	.....	—
Far East Fund	$4.06	4.38	.....	—
Intl. Currency Fund	$1.79	1.93	.....	—
Dollar Fxd. Int. Fund.	$3.80	4.09	.....	—
Ster. Exempt Gilt Fd	£2.40	2.59	.....	—

Providence Capital International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.669	1.795	.....	—
Intl. Stockmarket	$1.052	1.132	.....	—
World Technology	$1.363	1.466	.....	—
N. Am. Stockmarket	$0.960	1.035	.....	—
Far East	$1.145	1.232	.....	—
UK Fixed Interest	£1.488	1.601	.....	—
Intl. Fixed Int.	$1.145	1.232	.....	—
Intl. Currency	$1.088	1.170	.....	—
Intl Money Market	$1.114	1.199	.....	—
U.K. Money Market	£1.066	1.148	.....	—
Stlg. Mangd. Fd.	£1.337	1.439	.....	—
Dollar Mangd Fd	$1.110	1.194	.....	—

Savings Target Rate £7 (0/$8.50
Prices on March 28. Next dealing April 4
For Quest Fund Man. (Jersey) see Royal Trust Intl. Mngt.

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH 01-600 4177

Resource Fund	$138.66	—		2.16

Next dealing date April 2

Rea Brothers (IoM) Ltd
29 Athol St, Douglas, IoM 0624 29696.

Bond Fund	£1.22	1.255		8.04

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$5.76	6.37		1.19
Wardley Nikko As. Fd.	$25.37	30.39		4.94
Wardley Bond Trust	$10.34	11.40		8.16
Wardley Japan Trust	$33.82	35.74		0.39
Wardley Priv Cap Tst	$10.25	10.81		0.74

WestAven Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey 0481 27963

Gilt & Option Fd.	£1.18	1.27		2.50
US $ Option	$0.64	0.29		—

World Wide Growth Management◆
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.36			—

Inv Adv: M & G Inv Mngt Ltd London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM 0624 25015

Wren Com. Fund	22.2	23.1		—
Chinese Fund	62.2	64.5		—
Precious Metal Fund	141.5	147.1	.....	—
Vanguard Cmdy Fd.	33.6	34.4		—
Financial Futures Fd	65.6	69.3	.....	—
Wren Intl. Fnd *	$0.703	0.732		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's price. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualized rate of NAV increase.

EEC beef regime changes alarm British exporters

By Richard Mooney, Commodities Staff

CHANGES IN the EEC beef regime agreed by Community farm ministers at the weekend are causing deep consternation among British exporters.

A delegation of exporters met Mr Michael Jopling, the British Agriculture Minister, yesterday to seek clarification of the new arrangements, which at first sight appear to close the door on some British beef exports.

While reducing the maximum deficiency payment to UK producers of "clean beef" by 20 per cent, the Ministers are also understood to have agreed that the remaining payment should be "clawed back" if the meat is exported, under an arrangement similar to that operating under the lamb regime.

Clean beef refers to beef not produced as a by-product of dairying and represents around 20 per cent of the country's 180,000 tonnes annual export total.

The exporters claim the clawback would make them uncompetitive and leave the market open to beef from other EEC countries, notably the West Germans and the Irish.

They are particularly concerned at reports that the clawback is to be applied on existing contracts as well as new ones.

"We already have supply contracts for up to six months ahead," said a director of one exporting company, "And we are anxious to complete deals further ahead than that.

"We need to know where we stand."

The National Farmers' Union said it was still not clear whether the clawback was to be applied on exports to other community countries, third countries or both.

But whichever was the case, it would reduce export opportunities and was therefore bad news for farmers.

It could be good news for consumers, however. Mr Vincent Champion, deputy general secretary of the National Federation of Meat Traders, which represents Britain's independent butchers, said the introduction of a clawback should result in more domestic beef being available to British consumers.

The butchers had feared that the deficiency payments would be done away with altogether and replaced by an intervention buying system.

An intervention system would have resulted in a retail price rise of 12p a lb at the very least, he said. The reduction in the deficiency payment will not, in itself, cause prices to rise in the short term.

If the use of intervention is extended to make up producers' lost returns, however, retail prices could be raised by about 3p a lb.

"The premium (deficiency payment) is an alternative to intervention," Mr Champion explained. "It is cheaper and more effective but it can be argued that its use in Britain has led to extra intervention purchases in other member countries."

He said French traders claimed it gave British exporters a 15-20p advantage, equivalent to 20-25 per cent of the wholesale value on the Paris market.

If there is no change in the intervention system the burden of the deficiency payment cut will fall on beef producers, who would be expected to cut back production in response.

This production cut would tend to raise retail prices in the medium term, Mr Champion said.

A National Farmers' Union official said he understood Mr Jopling had undertaken to consider the case for introducing intervention buying of British beef so as to compensate producers for lost income.

He said a lot of detail about the new beef regime had still to be decided and the operation of the intervention system in Britain fell into that category.

● Traditional joints of beef will virtually disappear from high street shops within the next few years, one of Britain's leading butchers warned yesterday.

More and more beef will go for processing and manufacturers will be able to shape, colour and flavour it however they want, said Mr Colin Cullimore, managing director of Dewhursts, the UK's largest high street butcher.

"Conventional joints and cuts of beef will gradually be replaced, and by 1990 up to 75 per cent of beef will be needed only as a basic raw material for processing. Traditional joints and cuts are likely only to be served on very special occasions," he said.

Commodity values continue to rise

By Our Washington Staff

AVERAGE commodity prices continued their prolonged and gradual upward trend in February 1984, rising 14.8 per cent above the previous year and 19 per cent above their trough in November 1982, the International Monetary Fund reported.

The 0.8 per cent rise in February from the preceding month in the weighted average wholesale price index of 30 primary commodities was paced by large increases in the prices of metals and agricultural raw materials and a slight rise in food prices. Tropical beverage prices, however, declined 1.6 per cent.

The significant increase in metals prices (2.7 per cent) was a sign of strength after a prolonged period of weakness, the IMF said. The rise in agricultural raw materials prices (2 per cent) sustained a long time upward trend.

● MR ROBERT BEALE, a director of bullion brokers Samuel Montagu, took over as chairman of the London Gold Futures Market yesterday. He succeeds Mr R. Gee, who remains on the board, as does the first chairman, Mr K. Smith. Three newcomers to the board are Mr P. G. Smith and Mr J. Wolff, representing the London Metal Exchange, and Mr J. Spall, representing the London Gold Market.

● JAPAN'S agricultural minister will visit Washington today to seek a political solution to beef and citrus trade disputes.

● ZIMBABWE tobacco growers say they have produced a record crop of about 110m kg of good quality leaf.

● SHEFFIELD University has established a metals information service in conjunction with Sheffield City Libraries and the Department of Trade and Industry.

Quality tea prices suffer technical fall

By John Edwards

THE INDICATIVE selling price for quality teas was cut sharply, from 296p to 282p a kilo, at the London weekly auctions yesterday. However, brokers said the decline was only a technical change as a result of the end of season offerings of top quality North Indian teas finishing and the quality quotation being shifted to cheaper teas from East Africa.

In fact, demand generally at the auction was good, with medium quality prices rising by 1p to 247p a kilo and low medium remaining unchanged at 216p.

As a result, the average price for all teas is expected to be much the same, or even slightly higher, than last week's figure of 248p.

Meanwhile, hopes that the Indian ban on exports of CTC (crush, tear and curl) teas, imposed in December, may be lifted soon were raised by a statement by Jagdish Khattar, the Indian Tea Board chairman, that it was only a temporary and short-term measure.

St. Joe strike pushes lead to two-year high

BY JOHN EDWARDS

LEAD PRICES rose to the highest level for two years on the London Metal Exchange yesterday following confirmation of a strike by St. Joe Minerals' workers at the company's five lead mines in Missouri when their labour contracts expired on March 31.

An additional boost to the market was another decline in LME warehouse stocks of lead last week. Total holdings fell by 4,200 to 132,350 tonnes. Lead stocks have now fallen by 86,000 tonnes from the all-time peak reached last October and there is now a scarcity of immediately available supplies. Cash lead yesterday rose by £4 to £349.5 a tonne moving to a slight premium over the three months price, up by £3 to £348.25 after reaching £355 at one stage.

Zinc stocks were also down again, by 1,450 to 48,300 tonnes and the cash price premium widened to reflect the worsening shortage of immediately available supplies.

However, the market as a whole was under pressure, from profit-taking selling and uncertainty about whether the present high price levels can be sustained in spite of several more producers lifting their European official price by $40 to $1,090 a tonne cash zinc closed £6 down at £723.5 whilst the three months quotation lost £9.5 to £697 after moving from a high of £710 to a low of £685.

Copper prices were also erratic. The market opened on a strong note, with the higher grade three months price climbing to £1,117 before falling back to close at £1,106.75 a tonne, still £9 up on Friday.

There was some disappointment at warehouse stocks of copper falling by only 4,825 to 319,925 tonnes, since a much bigger decline had been anticipated.

Aluminium was boosted by stocks declining by 1,000 to 199,450 tonnes, whilst tin stocks fell by 815 to 31,360 tonnes. Only LME silver holdings were up, by 570,000 to a record 50,608,000 ounces.

Soyabean meal $ contract to be scrapped

By Our Commodities Editor

THE London Soyabean Meal Futures Association has decided to scrap the dollar-based contract, introduced last year and to replace the existing sterling contracts for lots of 100 tonnes with a new contract for lots of 20 tonnes each.

Trading in 20-tonne lots will start with the February 1985 delivery month at the latest, although the 100-tonne contract may be phased out even earlier.

It is hoped that the much smaller size medium lot will increase liquidity in the market and encourage more speculators to participate.

As part of a general drive to stimulate the present low level of trading activity, it has already been decided to move the market from its existing premises in the Corn Exchange to the Baltic Exchange, near other agricultural futures contracts for grain, potatoes and pigmeat.

Congress set to approve acreage reduction Bill

BY NANCY DUNNE IN WASHINGTON

THE U.S. Congress is expected to give final approval this week to farm legislation which strengthens this year's wheat acreage reduction programme and makes a similar scheme likely in 1985 for feed grains.

American wheat farmers have already entered 50m acres in the land idling programme, promising to leave fallow between 30 and 50 per cent of that land. The new legislation, which President Reagan is expected to sign, is designed to lure even more into the programme with the promise of cash payments.

Because last year's drought and Payment-in-Kind (PIK) programme reduced stocks, feed grains farmers have been asked to set aside only 10 per cent of their acreage this year. Maize farmers have agreed to take about 4.4m acres out of production and are expected to plant about 77m acres.

With a bountiful 1984 crop looming, legislators agreed in the new Farm Bill on a paid diversion programme for feed grains next year if, at the end of next September, the Agriculture Department (USDA) estimated 1985 ending stocks at more than 1.1bn bushels.

The Reagan Administration views the new legislation as something of an achievement. It has sought for some time to limit escalating target prices, which determine subsidy levels and rise each year.

The Bill meets that goal. Congress, which now views surpluses as the biggest threat to U.S. farmers, traded higher and increasingly more expensive subsidies for more generous acreage reduction provisions as well as some new funding for export promotion.

The measure reduces this year's target price for wheat to $4.38 a bushel (farmers who agree to reduce their acreage therefore get payments for the difference between the market price and the target price) and it holds it at that level for 1985. On feed grains, the Bill freezes 1985 target prices at 1984 levels.

Speculative buying helps cocoa

By Our Commodities Editor

COCOA PRICES jumped on the London futures market yesterday following renewed strong speculative buying interest. July futures closed £35 up at £1,863.5 a tonne following a sudden surge of activity in afternoon trading.

Traders said that a great deal of uncertainty remains about crop prospects, in Brazil and West Africa. Although West African production appears not to be as bad as feared at one stage, there is now some concern over the forthcoming Temporao crop in Brazil.

The latest Bahia cocoa review highlighted the continued hot, dry weather there which may mean a lower crop, although some traders point out that dry weather is quite normal in northern Brazil at this time of the year.

Cocoa remains a highly volatile market with the violent day-to-day price fluctuations more influenced by speculative sentiment than by fundamental supply-demand developments.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 2 1984	+ or —	Month ago
Metals			
Aluminium	£1100	....	£1100
Free Mkt	$1440/1470	....	$1515/545
Copper			
Cash h Grade	£1090.5	+9	£993.75
3 mths	£1106.75	+9	£1014.25
Cash Cathode	£1088.5	+9.5	£982.25
3 mths	£1100	+10.5	£1002.5
Gold troy oz.	$383.75	—4.5	$405.75
Lead Cash	£349.5	+4	£295.75
3 mths	£348.25	+3	£303.75
Nickel	£4836	....	£5025.64
Free Mkt	218/238c	....	205/225c
Palladium oz.	$160.50	—0.75	$162.00
Platinum oz.	£271.85	—1.10	£276.65
Quicksilver†	$305/315	....	$290/300
Silver troy oz.	676.30p	+6.15	679.70p
3 mths	690.30p	+6.15	694.40p
Tin cash	£8600	—5	£8492.5
3 months	£8687.5	—10	£8592.5
Tungsten	$76.35	....	$75.59
Wolfram22.04lb	$84/88	....	$76/80
Zinc	£723.5	—6	£679
3mths	£697	—9.5	£665.5
Producers	$1050/1080	....	$1050

	Apr. 2 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1140v	—10	$1130
Groundnut	$1165v	....	‡
Linseed Crude	‡	....	£597
Palm Malayan	$690z	—15	$685
Seeds			
Copra Phil	$750v	—10	$710
Soyabean(U.S.)	$323	+1	$314.25
Grains			
Barley Fut.Sep.	£106.55	+0.10	£120.55
Maize	£147.50	+0.50	£147.50
Wheat Fut.Jly.	£128.10	+0.55	£125.70
No 2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1907	+23	£1796.5
Futures May	£1863.5	+35	£1713.5
Coffee Ft. May	£2003	+4	£1989
Cotton A index	89.00c	....	87.95c
Gas Oil Apr	$245.75	+0.25	$250
Rubber (kilo)	78p	+0.25	81.5p
Sugar (raw)	£115u	—3	£112.5
Woolt'ps 64s	466pkilo	....	464pkilo

‡ Unquoted. u April. x May. z June. v April-May. w March-April. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

In a very quiet days trading, the gas oil market traded in a narrow range between Friday's close and a dollar higher. The lack of activity reflected the physical market and the absence of any sense of direction, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.40-28.50	—
Iranian Light	27.80-28.00	+0.10
Arab Heavy	26.75-26.95	—0.02
North Sea (Forties)	30.00-30.15	—0.08
North Sea (Brent)	30.15-30.30	+0.07
African(BonnyLi'ht)	30.15	+0.03

Turnover: 1,391 (2.04) lots of 100 tonnes.

PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	279-284	—
Gas Oil	254-258	—
Heavy fuel oil	187-192	+1

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	250.25	—	250.00-249.0
May	245.75	+0.25	246.50-245.2
June	244.75	+0.25	245.50-244.0
July	244.50	+0.50	245.75-244.0
Aug.	247.00	—0.25	247.50-247.0
Sept	249.50	—1.00	250.25
Oct.	252.00	+0.75	252.00
Nov	254.00	+0.50	—
Dec.	252.00	—	—

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Apr	—	—	—
May	—	—	—
June	—	—	—
July	30.80	—	30.80
Aug	—	—	—
Sept	—	—	—

GOLD MARKETS

Gold fell $4½ an ounce from Friday's close in the London bullion market yesterday to finish at $383¾-384. The metal opened at $385¼-385¾, which proved to be the day's high and traded down to a low of $382½-383.

In Paris the 12½-kilo bar was fixed at FFr 99,500 per kilo ($388.42 per ounce) in the afternoon compared with FFr 99,250 ($387.56) in the morning and FFr 100,000 ($389.76) on Friday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½-kilo bar at the fixing was $387.85 from $389.30.

In Frankfurt the 12½-kilo bar was fixed at DM 32,160 per kilo ($386.57 per ounce) against DM 32,580 ($390.00) on Friday and closed at $384¼-384¾ from $388¼-389.

In Zurich gold finished at $387½-387¾ from $388¾-389.

EUROPEAN MARKETS

BRITISH COMMODITY PRICES

BASE METALS

COPPER

TIN

LEAD

ZINC

ALUMINIUM

NICKEL

SILVER

COCOA

COFFEE

GRAINS

PIGMEAT

POTATOES

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

TEA AUCTIONS

COTTON

INDICES

JUTE

MEAT/FISH

Because of recent changes in the time difference between the U.S. and Britain, we regret we cannot print the U.S. market prices in this edition.

Time for Mauritius sugar industry to rationalise

BY JOHN MADELY, RECENTLY IN PORT LOUIS

IT IS NOT yet clear how much damage the cyclone which struck Mauritius during Christmas 1983 will have done to this year's sugar crop. The cyclone, which flattened crops in some areas, followed the country's worst drought for 30 years, a drought which caused a steep fall in 1983's output.

With some capacity damaged by drought and cyclone, the 1984 crop is unlikely to be high, but much will depend on this year's weather.

After producing 688,000 tonnes in 1982, the sugar industry harvested 604,741 tonnes for 1983, 503,000 tonnes of which will be sold to EEC countries (most of it to Britain) under the terms of the Lomé Convention's sugar protocol.

This allows cane sugar producing countries to export 1.3m tonnes of cane to the EEC at a price roughly equivalent to that which the community's sugar beet farmers receive, currently nearly £300 a tonne.

Mauritius is the biggest beneficiary of the arrangement, and with the Lomé price now some two and a half times higher than the world market price for sugar, Government ministers and officials recognise that without the convention the economy would have been very badly hit.

Because it sells the bulk of its crop under the Lomé arrangement, the 1983 drought did, however, cut by almost a half the sugar that remained after these exports. This limited the opportunity to raise additional export revenue.

It is not just drought and cyclone, however, which have shaken the Mauritian Government — dependent on sugar exports for over three-quarters of its foreign earnings—but a controversial report, produced by an independent commission that had been examining the sugar industry for the last two years.

The commission, headed by a member of the Brandt Commission, Yugoslav economist Dragoslav Avramovic, points out that while some sectors of the industry are efficient, there are some weak links, chiefly in the form of outdated plant and too many mills. Profits are low, it says, even though real wages have fallen by a quarter in the last four years.

While considerable investment was made in the industry about eight years ago, following the 1974 price boom, replacement of capital stock is now overdue on a number of estates, believes the report. On one estate, equipment is 70 years old.

The country's 21 mills are too many for the amount of sugar produced, and some should be allowed to close, it recommends.

Although the industry is privately owned, Government permission is needed for mill closures. The industry has for some time been pressing for the closure of two mills, Solitude and Reufac.

Further rationalisation, down to 15 mills, would appear to make economic sense, says the report. It proposes that the sugar companies be allowed to keep more of their profits to enable them to modernise and rationalise, and that the Government should drop an export tax on the industry that yields £20m a year. An alternative to dropping the tax, it says, is nationalisation.

The export tax was first imposed in the 1960's at 5 per cent but has been increased steadily to its current level of 23 per cent. In recent years the tax, which yields a considerable proportion of government revenue, has helped to finance investments, such as a free trade zone, which are helping to lessen the island's dependence on sugar.

While recognising the need for the sugar industry to modernise, the government of Anerood Jugnauth has previously rejected the abolition of the export tax, which it sees as essential for its development plans.

The Government is likely to veer towards a minority report, written by two members of the Avramovic Commission, Professor J. Manrakhan, dean of the University of Mauritius, and Rama Sithanen, an economist.

This rejects the idea of scrapping the export tax and calls for Government and sugar workers to own a larger share of the industry. It suggests the establishment of a government sugar office.

It will probably keep the export tax but the government will allow more mills to close, and offer specific help to companies with outdated capacity.

This move is unlikely to satisfy the sugar industry, which is not keen on either report, but the Government hopes it will be recognised as fair in view of the country's precarious economic situation.

Burmese plan to upgrade teak industry

By Our Rangoon Correspondent

THE Burmese Government has taken steps to upgrade Burma's teak exporting industry with a US$57.4m investment, of which $25m will be financed by credit and $6m from Finland's International Development Agency.

Under the project, two Government-owned obsolete teak sawmills in Rangoon will be rehabilitated in order to raise their combined production capacity to 45,000 tons a year.

A new plywood and teak veneer mill will also be set up at Monywa, a riverside town to the west of Burma's second city of Mandalay.

In addition, a pilot plant for blockboard production, and two mobile hardwood sawmills with a 10,000 ton annual capacity will be set up. Burma has more than 80m acres of forest land—about half of its total land area.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm in quiet trade

The dollar finished firmer on the day following news that U.S. construction spending rose by 6.9 per cent in February. This gave impetus to a very dull market, where the U.S. currency had tended to drift quietly during the early part of the day. There was little to stimulate the foreign exchanges overall. The dollar was generally unmoved by news of the Argentine debt rescue package arranged over the weekend. The January Federal Open Market Committee meeting minutes published Friday were much as expected, while a phone call made on March 20 indicated the Federal Reserve allowed the Federal funds rate to move above 10 per cent because of credit shortages in New York, rather than forcing the rate up itself.

Against this background the dollar continues to lack any strong direction, but improved to DM2.6020 from DM 2.5895 against the D-mark; FFr 8.0060 from FFr 7.9775 against the French franc; SwFr 2.1540 from SwFr 2.15 in terms of the Swiss franc; and Y224.60 from Y224.40 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index fell to 126.1 from 126.3.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. March average 1.4564. Trade-weighted index 79.8, unchanged from noon, compared with 79.9 in the morning, 80.1 at Friday's close, and 83.8 six months ago.

Sterling opened quite firm on the optimistic CBI survey, but soon weakened as fears about the implications of the miners strike returned to the fore. It opened at $1.4410-1.4420, and touched a peak of $1.4420-1.4430. The lowest point reached was $1.4340-1.4350, and the pound closed at $1.4350-1.4360, a fall of 70 points on the day. Sterling alost declined to FFr 11.49 from FFr 11.5050; SwFr 3.0950 from SwFr 3.1050; and Y322.50 from Y324; but was unchanged at DM 3.7375.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. March average 2.5967. Trade-weighted index 127.9 against 126.4 six months ago.

The dollar was fixed at DM 2.5863 against the D-mark at yesterday's fixing in Frankfurt, down from DM 2.5900 on Friday. There was no intervention by the Bundesbank either at the fixing or in open trading. The dollar tried to rally from early levels but lacked support. It fell back during the morning but was confined to a narrow trading range in the absence of any fresh factors to influence the market.

Sterling eased to DM 3.7240 from DM 3.7390 while the Swiss franc improved to DM 1.2045 from DM 1.2040. Within the EMS the Belgian franc was higher at DM 4.8880 per BFr 100 from DM 4.8840 and the Dutch guilder improved to DM 88.66 per Fl 100 from DM 88.65. The French franc was unchanged at DM 32.46 per FFr 100.

FRENCH FRANC — Trading range against the dollar in 1983-84 is 8.6850 to 6.6060. March average 8.0002. Trade weighted index 67.4 against 67.6 six months ago.

The French franc was firmer against the dollar at yesterday's fixing in Paris but lost ground to the D-mark. The dollar slipped to FFr 7.9675 from FFr 7.9800 while the D-mark rose to FFr 3.0660 from FFr 3.0796. The Belgian franc was also stronger at FFr 15.0585 per BFr 100 from FFr 15.0310 as was the Dutch guilder at FFr 2.7318 from FFr 2.7312. The Swiss franc rose to FFr 3.7110 from FFr 3.7055 and sterling was also higher at FFr 11.4740 compared with FFr 11.4710 at Friday's fixing.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.5953	+1.55	+1.50	±1.5447
Danish Krone ...	8.14104	8.19510	+0.66	+0.61	±1.6425
German D-Mark ...	2.24184	2.22743	−0.64	−0.69	±1.0642
French Franc ...	6.87456	6.86407	−0.15	−0.20	±1.4052
Dutch Guilder ...	2.52595	2.51259	−0.53	−0.58	±1.4964
Irish Punt ...	0.72569	0.727933	+0.31	+0.26	±1.6699
Italian Lira ...	1403.49	1385.74	−1.26	−1.26	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York

	April 2	Prev. close
Spot	$1.4330-4340	$1.4410-4420
1 month	0.20-0.23 dis	0.21-0.22 dis
3 months	0.62-0.66 dis	0.65-0.67 dis
12 months	2.95-3.05 dis	3.10-3.15 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

April 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4340-1.4430	1.4350-1.4360	0.19-0.24c dis	−1.80	0.63-0.68dis	−1.82
Canada	1.8290-1.8420	1.8300-1.8310	0.17-0.27c dis	−1.44	0.75-0.85dis	−1.75
Nethlnd.	4.19-4.23	4.21¼-4.22¼	1¼-¾c pm	2.49	3-2½ pm	2.61
Belgium	76.00-76.50	76.20-76.30	18-28c dis	−3.62	60-70 dis	−3.41
Denmark	13.68-13.76	13.73¾-13.74¾	1ore pm-½ dis	−0.38	1-2¾ dis	−0.47
Ireland	1.2150-1.2220	1.2190-1.2200	0.32-0.39p dis	−3.49	1.08-1.23dis	−3.79
W. Ger.	3.71½-3.74½	3.73¾-3.74¾	1¼-¾pf pm	3.21	3¼-2¾ pm	3.21
Portugal	188.50-191.00	189.00-189.50	170-395c dis	−17.91	515-1175ds	−17.86
Spain	213.00-214.50	213.15-213.35	125-145c dis	−7.60	410-465 dis	−8.21
Italy	2310-2324	2319-2321	13¼-15¾lire dis	−7.37	44½-46½ dis	−7.84
Norway	10.74-10.82	10.75½-10.77½	4-4½ore dis	−4.88	11¾-12¾ dis	−4.55
France	11.44-11.50	11.48½-11.49½	3½-4½c dis	−4.18	15-17 dis	−5.57
Sweden	11.06-11.15	11.07-11.09	1¼-1⅞ore dis	−1.78	4⅞-5⅛ dis	−1.69
Japan	321½-324	322-323	0.68-0.60y pm	2.38	2.08-1.98 pm	2.52
Austria	26.10-26.30	26.17-26.22	5⅞-4½gro pr	2.43	18½-15½ pm	2.58
Switz.	3.08½-3.11	3.09-3.10	1½-1c pm	4.85	4⅛-3¾ pm	5.17

Belgian rate is for convertible francs. Financial franc 79.00-79.10.
Six-month forward dollar 1.30-1.35c dis. 12-month 2.95-3.05c dis.

THE DOLLAR SPOT AND FORWARD

April 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4340-1.4430	1.4350-1.4360	0.19-0.24c dis	−1.80	0.63-0.68dis	−1.82
Ireland†	1.1760-1.1850	1.1760-1.1770	0.19-0.15c pm	1.72	0.63-0.54 pm	1.98
Canada	1.2750-1.2766	1.2750-1.2755	0.05-0.02c pm	0.33	0.06-0.03 pm	0.14
Nethlnd.	2.9150-2.9380	2.9360-2.9380	1.05-1.00c pm	4.22	3.27-3.22 pm	4.45
Belgium	52.85-53.25	53.11-53.13	6½-8c dis	−1.64	18-22 dis	−1.51
Denmark	9.5075-9.5775	9.5725-9.5775	2-1½ore pm	2.20	3½-3 pm	1.36
W. Ger.	2.5810-2.6025	2.6015-2.6025	1.06-1.00pf pm	4.75	3.25-3.20 pm	4.98
Portugal	131.75-132.25	131.75-132.25	100-250c dis	−15.91	300-750dis	−15.91
Spain	148.30-148.95	148.60-148.70	65-75c dis	−5.66	220-240 dis	−6.20
Italy	1608-1617	1616-1617	7½-9lire dis	−5.78	23½-24½ dis	−5.97
Norway	7.4850-7.5000	7.4950-7.5000	1.65-2.15ore dis	−3.05	4.70-5.20dis	−2.64
France	7.9540-7.0140	8.0035-8.0085	1.55-1.85c dis	−2.56	7.60-8.20dis	−3.96
Sweden	7.6930-7.7200	7.7150-7.7200	.35ore pm-.15 dis	0.15	0.55-0.05 pm	0.15
Japan	223.80-224.80	224.55-224.65	0.82-0.78y pm	4.28	2.47-2.42 pm	4.36
Austria	18.18-18.32	18.30½-18.31½	6.60-6.10gro pm	4.19	20-18 pm	4.17
Switz.	2.1425-2.1560	2.1535-2.1545	1.26-1.22c pm	6.93	3.73-3.69 pm	6.91

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.05-55.10.

OTHER CURRENCIES

Apr. 2	£	$		£ Note Rates
Argentina Peso	47.10-47.17	32.71-32.73	Austria	26.05-26.35
Australia Dollar	1.5260-1.5280	1.0630-1.0640	Belgium	78.55-79.45
Brazil Cruzeiro	1,877.8-1,889.2	1,304-1,311	Denmark	13.65-13.79
Finland Markka	7.9860-8.0060	5.5700-5.5750	France	11.41-11.52
Greek Drachma	148.20-149.60	102.80-103.10	Germany	3.70¾-3.74¾
Hong Kong Dollar	11.21⅛-11.22¼	7.8055-7.8075	Italy	2295-2325
Iran Rial	125.10*	86.70*	Japan	320-326
KuwaitDinar(KD)	0.4205-0.4215	0.29295-0.29305	Netherlands	4.18-4.22¼
Luxembourg Fr.	76.20-76.30	53.11-53.13	Norway	10.74-10.85
Malaysia Dollar	3.2900-3.2975	2.2935-2.2955	Portugal	185-193
New Zealand Dlr.	2.1575-2.1615	1.5030-1.5055	Spain	207-217
Saudi Arab. Riyal	5.5080-5.0625	3.5200-3.5205	Sweden	11.04-11.15
Singapore Dollar	2.9925-3.0000	2.0860-2.0880	Switzerland	3.07¾-3.10¾
Sth African Rand	1.7820-1.7845	1.2415-1.2430	United States	1.43-1.45
U.A.E. Dirham	5.2765-5.2820	3.6720-3.6730	Yugoslavia	175-205

CURRENCY MOVEMENTS

April 2	Bank of England Index	Morgan Guaranty Changes%
Sterling	79.8	−11.7
U.S. dollar	126.1	+15.6
Canadian dollar	88.5	−2.4
Austrian schilling	118.2	+4.8
Belgian franc	90.7	−10.9
Danish kroner	79.5	−5.6
Deutsche mark	127.9	+9.2
Swiss franc	149.1	+11.7
Guilder	116.5	+5.1
French franc	67.4	−14.5
Lira	48.9	−12.8
Yen	159.3	+15.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

April 2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.739425	0.597979
U.S. $	8½	1.06455	0.861508
Canadian$	10.78	*	1.09911
Austria Sch.	4¼	19.3695	15.6794
Belgian Fr.	11	56.3546	45.5953
Danish Kr.	7	10.133	8.19510
D'mark	4	2.75325	2.22743
Guilder	5	3.10476	2.51259
French Fr.	9½	8.48180	6.86407
Lira	16	1713.39	1385.74
Yen	5	238.725	193.150
Norwgn Kr.	8	7.97827	6.45526
Spanish Pta.	—	157.924	127.891
Swedish Kr.	8½	8.19597	6.63792
Swiss Fr.	4	2.28559	1.84940
Greek Dr'ch	20½	109.703	88.7440

*C$/SDR rate for March 30: 1.35845.

EXCHANGE CROSS RATES

Apr. 2	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.436	3.738	322.5	11.49	3.095	4.218	2320.	1.831	76.25
U.S. Dollar	0.697	1.	2.602	224.5	8.006	2.154	2.937	1617.	1.275	53.12
Deutschemark	0.268	0.384	1.	86.29	3.074	0.828	1.128	620.7	0.490	20.40
Japanese Yen 1,000	3.101	4.451	11.59	1000.	35.63	9.597	13.08	7194.	5.676	236.4
French Franc 10	0.870	1.249	3.253	280.7	10.	2.694	3.671	2019.	1.593	66.36
Swiss Franc	0.323	0.464	1.208	104.2	3.712	1.	1.363	749.6	0.591	24.64
Dutch Guilder	0.237	0.340	0.886	76.47	2.724	0.734	1.	550.1	0.434	18.08
Italian Lira 1,000	0.431	0.619	1.611	139.0	4.953	1.334	1.818	1000	0.789	32.87
Canadian Dollar	0.546	0.784	2.042	176.2	6.277	1.691	2.304	1267.	1.	41.66
Belgian Franc 100	1.311	1.883	4.902	423.0	15.07	4.059	5.531	3043.	2.401	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8⅝-8¾	10-10¼	9½-9¾	5¹³⁄₁₆-6¹⁄₁₆	1⅝-1⅞	5⅛-5⅜	12⅛-12⅝	15-16	11¾-12¼	11¼-11⅝	6⅛-6¹¹⁄₁₆	5⅝-6⅜
7 days' notice	8¹¹⁄₁₆-8¹³⁄₁₆	10⅛-10⅝	9⅝-10	5¹³⁄₁₆-6¹⁄₁₆	2⅝-2⅞	5⁷⁄₁₆-5⅝	12¼-12½	15¾-16¾	11¾-12¼	11⅝-11⅞	6⅜-6½	7⅞-8⅜
Month	8¾-8⅞	10⅜-10⅝	9⅞-10⅛	6⅛-6⅜	3⅛-3⅜	5⅛-5¹¹⁄₁₆	12¾-13	16-16½	12-12½	11¾-12	6⅛-6⅜	8½-9⅛
Three months	8⅞-9	10⅜-10½	10⅛-10⅜	6⅛-6⅜	3⅛-3⁷⁄₁₆	5⁷⁄₁₆-5¹¹⁄₁₆	14⅜-14⅝	16⅜-16⅞	12-12½	11¾-12	6⅜-6½	10⅛-10⅜
Six months	9⅛-9¼	10⅞-11⅛	10⅝-10⅞	6⅛-6⅜	3⅝-3⅞	5¾-5⅞	15-15¼	17-17⅜	12-12½	11¾-12	6¼-6⅜	10⅜-10⅝
One year	9⅜-9⅞	11⅜-11⅝	11¼-11⅞	6½-6⅝	4⅛-4⅜	6⅜-6¼	16¾-16	17½-18	12¼-12¾	11¾-12	6⅜-6½	11¼-11⅝

Asian $ (closing rates in Singapore): Short-term 10⅛-10¼ per cent; seven days 10¼-10⅜ per cent; one month 10⁷⁄₁₆-10⁹⁄₁₆ per cent; three months 10⅝-10¾ per cent; six months 10⅞-11 per cent; one year 11⁷⁄₁₆-11⁹⁄₁₆ per cent. Long-term Eurodollars two years 12⅛-12⅜ per cent; three years 12⅜-12⅝ per cent; four years 12⅝-12⅞ per cent; five years 12¾-13 per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices improved in the London International Financial Futures Exchange yesterday. Values were marked up in early trading, but not as much as had been expected, on news that the U.S. authorities had decided to leave credit policies unchanged after January's Federal Open Market Committee Meeting.

The firmer trend came despite a later "telephone meeting" which effectively allowed Federal funds to temporarily trade above 10 per cent, previously the top of the Fed's range. There was good buying of Euro-dollar contracts in London and interest persisted in spite of early selling in the U.S. Eventually Chicago prices bottomed out and prices in London finished on a firm note. The June Euro-dollar price opened at 89.06 up from 89.04 and touched a high of 89.13 before finishing at 89.12.

Gilt prices opened higher, reflecting optimism over the possible course of U.S. interest rates and encouraging signs in UK economic growth, underlined by the latest CBI report. Values were marked down soon after however as selling developed.

The June gilt price opened at 109-09 up from 109-07 but fell to a low of 108-20 and finished near this level at 108-21.

Short sterling prices opened slightly firmer from Friday and traded quietly for much of the day, reflecting a rather static cash market. Prices were marked down slightly towards the close with the June price finishing at 91.09 compared with an opening level of 91.12 and Friday's close of 91.11.

LONDON

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.4424	1.4419	1.4419	1.4475
Sept	1.4433	—	—	1.4545

Volume 347 (98)
Previous day's open int 2,155 (2,134)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3896	0.3907	0.3896	0.3900
Sept	0.3944	—	—	0.3948

Volume 22 (57)
Previous day's open int 520 (482)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4715	0.4722	0.4715	0.4715
Sept	0.4795	—	—	0.4795

Volume 7 (1)
Previous day's open int 136 (136)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4493	0.4498	0.4493	0.4486
Sept	0.4544	—	—	0.4536

Volume 6 (8)
Previous day's open int 289 (286)

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	89.12	89.13	89.06	89.04
Sept	88.68	88.69	88.64	88.64
Dec	88.32	88.34	88.29	88.29
March	88.03	88.03	88.01	88.01
June	87.78	87.78	87.75	87.72

Volume 3,278 (3,275)
Previous day's open int 14,506 (14,464)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	91.09	91.12	91.09	91.11
Sept	90.84	90.87	90.84	90.87
Dec	90.62	90.65	90.62	90.66
March	90.45	—	—	90.50
June	90.33	—	—	90.31

Volume 506 (966)
Previous day's open int 7,743 (7,629)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	108-21	109-10	108-20	109-07
Sept	108-00	108-11	108-00	108-17
Dec	107-14	—	—	107-30
March	106-30	—	—	107-14
June	—	—	—	—

Volume 2,285 (1,559)
Previous day's open int 4,023 (4,010)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 28 to 40 (32nds)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	66-18	66-21	66-09	66-07
Sept	66-02	66-04	65-24	65-21
Dec	65-18	65-18	65-07	65-06
March	65-05	65-05	65-00	64-24
June	64-22	64-22	64-20	64-10
Sept	64-10	64-10	64-08	63-30
Dec	63-31	63-31	63-23	63-20
March	—	—	—	63-11

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.04	90.06	90.00	89.97
Sept	89.68	89.68	89.63	89.60
Dec	89.36	89.38	89.35	89.32
March	89.15	89.15	89.11	89.08
June	88.92	88.92	88.92	88.87
Sept	88.73	88.73	—	88.69
Dec	88.53	88.53	—	88.52

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	89.23	89.25	89.17	89.13
Sept	88.76	88.76	88.71	88.66
Dec	88.38	88.37	88.34	88.28
March	88.04	88.05	88.03	88.00

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	88.81	88.85	88.76	88.72
Sept	88.34	88.36	88.30	88.25
Dec	87.96	87.97	87.94	87.88
March	87.64	87.67	87.64	87.59
June	87.35	87.35	87.34	87.28

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	1.4390	1.4470	1.4360	1.4465
Sept	1.4445	1.4530	1.4425	1.4540
Dec	1.4615	1.4620	1.4615	1.4615
March	1.5002	1.4695	1.4600	1.4680

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	68-15	68-18	68-07	68-05
Sept	67-22	67-22	67-12	67-08
Dec	66-24	66-24	66-16	66-13
March	—	—	—	65-23
June	—	—	—	65-03
Sept	—	—	—	64-22
Dec	—	—	—	64-09

ART GALLERIES

MONEY MARKETS

London rates steady

Interest rates were fairly steady on the London money market yesterday, although the Bank of England forecast another very large shortage, and offered an early round of assistance. Three-month interbank money was unchanged at 8¹⁵⁄₁₆ per cent, and discount houses buying rates for three-month eligible bank bills were also unchanged at 8²¹⁄₃₂ per cent.

The Bank of England revised its estimate of the London money market shortage down to £400m, but provided total help of £520m.

In the morning the authorities forecast a shortage of £500m, and provided an early round of assistance by buying £257m bills outright in the form of £21m bank bills in band 2 (15-33 days maturity) at 8¾ per cent; £21m local authority bills in band 3 (34-63 days) at 8⅞ per cent; £56m bank bills in band 3 at 8⅞ per cent; and £159m bank bills in band 4 (64-91 days) at 8⅝ per cent.

During the morning another £153m bills were purchased through £1m Treasury bills in band 1 (up to 14 days) at 8⅞ per cent; £3m local authority bills in band 1 at 8⅞ per cent; £50m bank bills in band 1 at 8⅞ per cent; £77m bank bills in band 2 at 8¾ per cent; £1m Treasury bills in band 3 at 8⅞ per cent; £9m local authority bills in band 3 at 8⅞ per cent; and £12m bank bills in band 3 at 8⅞ per cent.

In the afternoon the Bank of England provided additional assistance of £40m, by buying £38m Treasury bills in band 4 at 8⅝ per cent; and £2m local authority bills in band 4 at 8⅝ per cent.

Late assistance of £70m was also given to the market.

The unwinding of repurchase agreements on bills provided by the authorities drained £510m from the market, while bills maturing in the hands of the Bank of England, repayment of late assistance, and take-up of Treasury bills from last Friday's bill tender, absorbed £209m. Exchequer transactions absorbed another £150m, and these factors were partly offset by the usual falling in the note circulation after the weekend, amounting to £225m.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

MONEY RATES

Apr. 2	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11¾	1½-2½	5⅞-6⅛	6.28125	16⅞-17¼	9.05	11¾-12¼
One month	5.55-5.70	12⅛-12⅞	3⅛-3⅜	6⅛-6⅜	6.21875	17-17⅝	11¾-12	12⅜-12⅝
Two months	5.65-5.80	12½-12⅝	—	—	—	—	—	12⅝-12⅞
Three months	5.70-5.85	12⅛-12⅞	3⅝-3¾	6⅛-6⅜	6.28125	17¼-17⅝	11¾-12	12¾-13
Six months	5.80-5.95	12⅞-12⅞	—	6⅛-6¼	—	—	11¾-12	13⅛-13⅜
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	8⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Apr. 2 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	6½-8¾	8⅛-8⅞	7½-8⅞	7-8½	—	—	—	—	—
2 days notice	—	—	8¾-8⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅝-8⅞	8¾-8⅞	8⅞	8⅝	—	—	—	—	—
One month	8⅝-8⅝	8¾-8⅞	8¾	8⅝-9	8⅝	8⅝	8½	8⅝	8½	9⅛
Two months	8⅞-8⅝	8⅞-8⅞	8⅞	9	8⅝	8⅝	8⅞	8⅝	8⅞	9⅛
Three months	8⅞-8⅝	8⅞-9	8⅞	9⅛	8⅝	8⅝	8⅝	8⅝	8⅝	9⅛
Six months	8⅞-8⅞	9⅛-9⅜	9⅛	—	—	—	—	8½	8⅝	9⅛
Nine months	9⅜-9⅛	9⅛-9⅜	9¼	—	—	—	—	—	—	—
One year	9⅜-9⅜	9⅜-9⅞	9⅜	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-9	—	8⅝	10.35-10.45	8⅞-9⅛	9⅛-9⅜
Two months	9¼-9	—	8⅞	10.4-10.5	9⅛-9⅜	9⅛-9⅝
Three months	9¼-9	—	9	10.45-10.55	9¼-9½	9½-9¾
Six months	9⅜-9⅛	—	9⅛	10.65-10.75	9⅞-9¾	9¾-9⅞
Nine months	9½-9¼	—	9⅛	10.9-11.1	—	—
One year	9½-9¼	—	9⅜	11.2-11.4	9¾-10⅛	10⅛-10⅜
Two years	—	9¾	—	—	—	—
Three years	—	10¼	—	—	—	—
Four years	—	10½	—	—	—	—
Five years	—	10⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 6 1984 (inclusive): 9.373 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from April 1, 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¼-5½ per cent. Treasury Bills: Average tender rates of discount 8.3829 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 8 per cent; one-three months 8 per cent; three-six months 9¼ per cent; six-nine months 9¼ per cent; nine-12 months 9½ per cent. Under £100,000 8¾ per cent from March 22. Deposits held under Series 4-5 9½ per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11½
Broker loan rate	11
Fed funds	10½
Fed funds at intervention	—

Treasury Bills

One month	9.30
Two month	9.30
Three month	9.63
Six month	9.78
One year	9.78

Treasury Bonds

Two year	100¹⁄₃₂
Three year	98
Four year	98²³⁄₃₂
Five year	98⅛
Seven year	99⅞
10 year	99³¹⁄₃₂
30 year	98⁵⁄₃₂

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. April 2)

3 months U.S. dollars	
bid 10 5/8	offer 10 3/4

6 months U.S. dollars	
bid 10 7/8	offer 11.

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 2, 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.06
Algeria	Dinar	(A) 6.9640
Andorra	French Franc	11.49
	Spanish Peseta	213.25
Angola	Kwanza	(cm) 43.7625
Antigua	E. Caribbean $	3.87
Argentina	New Peso	47.155
Australia	Australian $	1.5270
Austria	Schilling	26.195
Azores	Portug'se Escudo	189.25
Bahamas	Ba. Dollar	1.4355
Bahrain	Dinar	0.543
Balearic Isles	Spa. Peseta	213.25
Bangladesh	Taka	35.92
Barbados	Barbados $	2.8710
Belgium	B. Franc	(com) 76.25 (fn) 79.05
Belize	B $	2.8710
Benin	C.F.A. Franc	574.5
Bermuda	Bda $	1.4355
Bhutan	Indian Rupee	15.50
Bolivia	Bolivian Peso	(o) 717.75
Botswana	Pula	1.555
Brazil	Cruzeiro	1,883.5
Brit. Virgin Isles	U.S. $	1.4355
Brunei	Brunei $	3.0160
Bulgaria	Lev	1.3794
Burma	Kyat	11.6699
Burundi	Burundi Franc	166.095
Cameroon	C.F.A. Franc	574.5
Canada	Canadian $	1.8305
Canary Islands	Spanish Peseta	213.25
Cape Verde Is.	Cape V. Escudo	115.90
Cayman Islands	Cay. Is. $	1.19625
Cent. Afr. Republic	C.F.A. Franc	574.5
Chad	C.F.A. Franc	574.5
Chile	Chilean Peso	127.15
China	Renminbi Yuan	2.9707
Colombia	Col. Peso	(F) 134.75
Comoro Islands	C.F.A. Franc	574.5
Congo (Brazzaville)	C.F.A. Franc	574.5
Costa Rica	Colon	(U) 62.20
Cuba	Cuban Peso	[illegible]
Cyprus	Cyprus £	0.763
Czechoslovakia	Koruna	(com) 8.50 (n/c) 16.85 (T) 15.50
Denmark	Danish Kroner	13.7375
Djibouti	Djibouti Franc	240 (sg)
Dominica	E. Caribbean $	3.87
Dominican Repub.	Dominican Peso	(O) 1.4355
Ecuador	Sucre	(cm) 88.37 (F) 126.16
Egypt	Egyptian £	(U) 1.195
Equatorial Guinea	Ekuele	459.6
Ethiopia	Ethiopian Birr	(P) 2.9400
Falkland Islands	Falkland Is. £	1.0
Faroe Islands	Danish Kroner	13.7375
Fiji Islands	Fiji $	1.4845
Finland	Markka	7.9970
France	French Franc	11.49
French C'ty in Af.	C.F.A. Franc	574.5
French Guiana	Local Franc	11.49
French Pacific Is.	C.F.P. Franc	200 (sg)
Gabon	C.F.A. Franc	574.5
Gambia	Dalasi	5.00
Germany (East)	Ostmark	3.7375
Germany (West)	Deutsche Mark	3.7375
Ghana	Cedi	50.435
Gibraltar	Gibraltar £	1.0
Greece	Drachma	148.40
Greenland	Danish Kroner	13.7375
Grenada	E. Caribbean $	3.87
Guadaloupe	Local Franc	11.49
Guam	U.S. $	1.4355
Guatemala	Quetzal	1.4355
Guinea	Syli	33.45
Guinea-Bissau	Peso	115.90
Guyana	Guyanese $	5.4035
Haiti	Gourde	7.1775
Honduras	Lempira	2.90
Hong Kong	H.K. $	11.21875
Hungary	Forint	65.88
Iceland	I. Krona	41.7025
India	Ind. Rupee	15.50
Indonesia	Rupiah	1,440.0
Iran	Rial	125.10 (sg)
Iraq	Iraqi Dinar	0.4484
Irish Republic	Irish £	1.2195
Israel	Shekel	[illegible]
Italy	Lira	2,320.0
Ivory Coast	C.F.A. Franc	574.5
Jamaica	Jamaica Dollar	4.88
Japan	Yen	322.5
Jordan	Jordanian Dinar	0.531
Kampuchea	Riel	N/A
Kenya	Kenya Shilling	19.58
Kiribati	Australian $	1.5270
Korea (Nth)	Won	1.6555 (s)
Korea (Sth)	Won	1,114.4
Kuwait	Kuwaiti Dinar	0.421
Laos	New Kip	50.2425
Lebanon	Lebanese £	7.9050
Lesotho	Maluti	1.78325
Liberia	Liberian $	1.4355
Libya	Libyan Dinar	0.4250
Liechtenstein	Swiss Franc	3.095
Luxembourg	Lux Franc	76.25
Macao	Pataca	11.70
Madeira	Portug'se Escudo	189.25
Malagasy Republic	MG Franc	711.65
Malawi	Kwacha	1.90
Malaysia	Ringgit	3.29375
Maldive Islands	Rufiyaa	10.8380
Mali Republic	Mali Franc	1,149.0
Malta	Maltese £	0.6037
Martinique	Local Franc	11.49
Mauritania	Ouguiya	82.15
Mauritius	M. Rupee	19.13
Mexico	Mexican Peso	[illegible]
Miquelon	Local Franc	11.49
Monaco	French Franc	11.49
Mongolia	Tugrik	4.75 (D)
Montserrat	E. Caribbean $	3.87
Morocco	Dirham	11.35 (sg)
Mozambique	Metical	(A) 59.45
Namibia	S.A. Rand	1.78325
Nauru	Australian Dollar	1.5270
Nepal	Nepalese Rupee	22.70
Netherlands	Guilder	4.2175
Netherland Antilles	Antillian Guilder	2.5695
New Zealand	N.Z. Dollar	2.1595
Nicaragua	Cordoba	14.37
Niger Republic	C.F.A. Franc	574.5
Nigeria	Naira	1.088386 (sg)
Norway	Norwegian Krone	10.765
Oman Sul'ate of	Rial Omani	0.496
Pakistan	Pakistan Rupee	19.11
Panama	Balboa	1.4355
Papua N. Guinea	Kina	1.2300
Paraguay	Guarani	(O) 191.44 (F) 230.40
Peru	Sol	[illegible]
Philippines	Philippine Peso	19.85
Pitcairn Islands	£ Sterling	1.0
	New Zealand $	2.1595
Poland	Zloty	157.83
Portugal	Portug'se Escudo	189.25
Puerto Rico	U.S. $	1.4355
Qatar	Qatari Ryal	5.245
Reunion Island	French Franc	11.49
Romania	Leu	[illegible]
Rwanda	Rwanda Franc	141.46
St. Christopher	E. Caribbean $	3.87
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	3.87
St. Pierre	Local Franc	11.49
St. Vincent	E. Caribbean $	3.87
Salvador E.	Colon	3.60
Samoa American	U.S. $	1.4355
San Marino	Italian Lira	2,320.0
Sao Tome & Prin.	Dobra	61.30
Saudi Arabia	Saudi Ryal	5.06025
Senegal	C.F.A. Franc	574.5
Seychelles	S. Rupee	9.64 (sg)
Sierra Leone	Leone	[illegible]
Singapore	Singapore $	2.99625
Solomon Islands	Solomon Is. $	1.7580
Somali Republic	Somali Shilling	25.20
South Africa	Rand	1.78325
Spain	Peseta	213.25
Spanish ports in North Africa	Peseta	213.25
Sri Lanka	S. Rupee	35.98
Sudan Republic	Sudan £ (u)	1.8865
Surinam	S. Guilder	2.5685
Swaziland	Lilangeni	1.78325
Sweden	S. Krona	11.08
Switzerland	Swiss Franc	3.095
Syria	Syrian £	[illegible]
Taiwan	New Taiwan $	57.50
Tanzania	Tan. Shilling	17.62 (sg)
Thailand	Baht	32.90
Togo Republic	C.F.A. Franc	574.5
Tonga Islands	Pa'anga	1.5270
Trinidad	Trinidad & Tob $	3.4455
Tunisia	Tunisian Dinar	1.005 (sg)
Turkey	Turkish Lira	465.26
Turks & Caicos	U.S. $	1.4355
Tuvalu	Australian $	1.5270
Uganda	Uganda Shilling	[illegible]
United States	U.S. Dollar	1.4355
Uruguay	Uruguay Peso	75.46
Utd. Arab Emirates	U.A.E. Dirham	5.27925
U.S.S.R.	Rouble	1.1185
Upper Volta	C.F.A. Franc	574.5
Vanuatu	Vatu	138.10
Vatican	Italian Lira	2,320.0
Venezuela	Bolivar	[illegible]
Vietnam	Dong	[illegible]
Virgin Islands U.S.	U.S. Dollar	1.4355
Western Samoa	Samoan Tala	[illegible]
Yemen (Nth)	Ryal	7.125 (sg)
Yemen (Sth)	S. Yemen Dinar	[illegible]
Yugoslavia	New Y Dinar	[illegible]
Zaire Republic	Zaire	50.76
Zambia	Kwacha	2.30
Zimbabwe	Zimbabwe $	1.6150

* Rate is the transfer market (controlled). †† Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (§) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (3) Non-essential imports and private sector applicant. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad.

NOTICE TO HOLDERS OF

FUJITSU LIMITED
(Fujitsu Kabushiki Kaisha)
(the "Company")

U.S. $80,000,000 5½ PER CENT CONVERTIBLE BONDS 1996
(the "Bonds")

Pursuant to Condition 5(C)(xii) of the Terms and Conditions of the Bonds, notice is hereby given as follows:

1. The Company has made the allotment of shares for the free distribution of shares of its Common Stock to shareholders of record as of 31st March, 1984 in Japan, at the rate of 0.1 new share for each 1 share held, and such new shares will be issued on 21st May, 1984.

2. Accordingly, the conversion price at which the Bonds may be converted into shares of Common Stock of the Company has been adjusted effective as of 1st April, 1984, Japan Time from Yen 663.80 per share of Common Stock to Yen 603.50 per share of Common Stock.

FUJITSU LIMITED
By: The Bank of Tokyo Trust Company
as Trustee

Dated: 3rd April, 1984

INTERNATIONAL CAPITAL MARKETS

Statoil launches $100m Eurobond

By Mary Ann Sieghart in London

STATOIL, the Norwegian state oil company, launched a $100m Eurodollar bond yesterday in what was otherwise a very quiet market.

The bond has a four-year life—short by Eurobond standards—and a 12 per cent coupon at par. Deutsche Bank and Merrill Lynch are leading the deal, which is thought to involve a swap into floating rate dollars.

A combination of the short maturity and the name (it is guaranteed by Norway) led to considerable investor demand. The bond started trading at a tiny, ⅛ point discount, well inside its 1 per cent selling concession.

In Germany, C. Itoh Fuel, the Japanese oil company, is raising DM 25m through a five-year bond with equity warrants. It has a 3½ per cent indicated coupon and is led by Deutsche Bank. Final pricing is expected on April 10.

Eksportfinans of Norway is raising SwFr 100m through a 10-year bond with an indicated 5¾ per cent coupon at par; Citicorp Bank (Switzerland) will price it on Thursday.

The State Electricity Commission of Victoria launched a SwFr 100m private placement with the lowest coupon on a straight bond since last May. It pays 5 per cent at par and has a seven-year life. Credit Suisse is lead manager.

The European Economic Community's Fl 200m, 8¼ per cent bond has been priced at 100½ by lead manager ABN Bank.

Dollar, D-Mark and Swiss franc secondary markets were all quiet yesterday. Prices closed unchanged on the day.

Prices edged up a little in the dollar secondary market yesterday morning, but this led to a spate of profit-taking by the early afternoon. On the day, prices were unchanged to up ½ point.

BHF Bank bond average		
April 2		Previous
99.541		99.556
High	1983-84	Low
100.009		98.056

East Germany to tap market for $50m

By Peter Montagnon in London

DEUTSCHE Aussenhandelsbank, East Germany's foreign trade bank, plans to raise a $50m credit in the Euromarkets, the country's first publicised borrowing from international banks since October 1981.

It has asked First Chicago, the U.S. bank, to sound out the market for a five-year credit with indicated interest margins of 1 per cent over London Eurodollar rates or ⅞ per cent over U.S. prime rate. The exploratory process is expected to last until mid-April, when the loan could go ahead on a club basis.

Though small, this credit marks a further step in the slow rehabilitation of East European borrowers after new credit was virtually halted in the wake of the Polish debt crisis. Last year East Germany raised a DM 1bn credit from German banks, but the operation was guaranteed by West Germany and described at the time as a "political deal."

Now a shortage of loan opportunities worldwide is encouraging banks to rebuild some of their lending to Eastern Europe. Figures from the Bank for International Settlements show that the outstanding debt of East Germany to Western banks fell from a peak of $10.1bn in December 1981 to only $7.9bn last September. This has created space in bank balance sheets for more East German loans.

A further sign of the gradual recovery of East Europe's credit rating has come with the response to a $150m bankers' acceptance facility being arranged by First Chicago for the National Bank of Hungary. This is now oversubscribed and likely to be increased.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 2.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						
Sears O/S Fin 11½ 88	125	99⅛	99⅝	−0⅛	0	11.84
Sears O/S Fin 11⅝ 91	150	94¾	95¼	0	0	12.74
Sec Pac O/S Fin 11⅝ 89	75†	94¾	95¼	0	−0¾	13.85
Sec Pac O/S Fin 12 92	100	96⅛	96⅝	0	+0⅝	12.74
S.E.K. 11½ 89	100	95½	96	0	+0¼	12.70
Shearson/Amex 12⅛ 94	100	94½	95	+0⅛	+0½	13.88
Texaco Capital 10½ 93	200	90⅝	90⅞	+0⅝	+1	12.18
Texas Insts Int 11⅞ 91	150	95⅜	95⅞	–	–	12.86
Tokai Asia 12¼ 91	100	96¾	97¼	+0¼	+0¼	12.81
World Bank 11⅛ 90	200	93⅞	94⅝	+0¼	+0½	12.58
World Bank 11⅜ 89	200	96¼	96¾	0	+0¼	12.35
World Bank 11½ 90	150	95⅜	95⅞	+0¼	+0⅛	12.58
World Bank 12 93	200	97⅜	97⅞	−0¼	0	12.41

Av. price changes: on day 0, on week +⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	100½	101	0	+1	7.38
Amex Int'l 8¼ 91	100	100¼	100¾	−0⅛	+0½	8.15
A.N.A.S. 8½ 91	150	100¼	100¾	+0⅛	0	8.39
Austria, Republic 7⅝ 94	200	98⅞	99⅜	−0¼	−0¼	7.77
Barclays O/S 8⅛ 93	250	102⅛	102⅝	0	−0⅛	7.85
Baxter Travenol 7¼ 94	200	98⅛	98⅝	+0½	+0½	7.48
Credit National 8⅛ 94	200	100½	101	+0⅛	0	8.01
Degussa Int Fin 7½ 94	100	101½	101¾	−0⅛	+0⅝	7.26
E.E.C. 8 92	200	101¼	101¾	+0½	−0¾	7.73
E.I.B. 8 91	250	101	101½	−0¼	+0½	7.77
Finland Rep 7½ 91	150†	98¼	98¾	−2⅛	−0⅛	7.72
I.A.D.B. 8⅛ 93	150	100½	101	−0⅛	−0½	8.12
Int Standard Ele 7⅛ 90	100	101½	102	0	−0½	7.03
Mepal Fin 8¼ 94	150	100⅛	100⅝	−0⅛	+0⅛	8.18
Mitsubishi Hvy 3½ 89 WW	300	103⅞	104⅜	−0⅛	+1¼	2.58
Mitsubishi Hvy 3½ 89 XW	300	85⅜	85⅞	−0¼	+0¼	7.01
O.K.B. 7½ 88	100	99⅞	100⅜	−0⅜	0	7.45
Pepsico O/S Fin 7¼ 94	250	99¼	99¾	+0⅛	+0½	7.32
Reynolds O/S Fin 7⅜ 94	125	100½	101	0	−0⅛	7.38
Sth Africa Rep 8½ 91	200	101½	102	0	+0¼	8.17
S.N.C.F. 8⅛ 93	100	101	101½	−0⅜	−0¼	7.92
VEBA Int Fin 4 93 WW	300	123¼	124¼	+0⅛	−0¾	1.37
VEBA Int Fin 4 93 XW	300	77¾	78¼	+0¼	0	7.23
World Bank 7¾ 89	100	101½	102	0	0	7.39
World Bank 8 93	300	100½	101	−0¼	−0½	7.88
World Bank 8 94	200	101	101½	+0¼	−0⅛	7.81

Av. price changes: on day −⅛, on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 6 94	100	101	101¼	−0⅛	−0¼	5.84
Australia Comm 5⅛ 96	60	99½	99¾	–	–	5.17
Austria Republic 5½ 94	150	99½	99¾	+0¼	0	5.55
Cofiroute 7 94	80	103	103¼	0	−0½	6.56
E.I.B. 6⅝ 96	125†	101½	101¾	0	+0¼	6.56
Elec Power Dev 5⅝ 93	100	101	101¼	+0¼	0	5.47
Finland Republic 5¾ 94	100	99½	99¾	0	0	5.80
Int-Am Dev Bk 6 93	100	100	100¼	+0¼	0	5.98
Ireland 6½ 93	80	102¾	103	−0⅞	−0⅛	6.09
Japan Dev Bk 5½ 94	100	101¼	101½	−0¼	−0¼	5.31
Japan Fin Corp 5½ 94	100	99½	99¾	–	–	5.55
Jap Highway Pub 5⅝ 91	100	102	102¼	0	+0⅝	5.27
Kyushu Ele Power 5⅝ 92	100	101¼	101½	+0¼	+1⅛	5.41
Mont Blanc Tunl 6⅞ 93	35†	102¾	103¼	+0⅝	+0¾	5.95
Nat Australia Bk 5⅝ 94	100	99½	99¾	+0⅛	0	5.67
Newscorp 6⅛ 94	175	101¼	101½	0	−0¼	5.96
Nippon Express 5⅞ 94	100	99¾	100	0	+0¼	5.89
Nippon Tel & Tel 5¾ 93	100	103	103¼	0	0	5.32
Nippon Yusen K K 5¾ 92	100	100	100¼	−0½	−0½	5.73
O.K.B. 5¾ 92	100	102¼	102½	–	–	5.37
Quebec Province 5⅝ 93	100	101¼	101½	−0¼	−0⅜	5.43
Shikoku Elec Power 6 91	100	101½	101¾	0	−0⅛	5.73
Soc Lux Cent 5¾ 93	100	100½	100¾	0	+0½	5.66
Tohoku Ele Power 5¾ 92	100	100½	100¾	+0½	+0½	5.65
World Bank 5¾ 94	200	99¼	99½	+0½	0	5.83

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 7⅜ 94	15	100⅝	100⅞	0	0	7.28
Eurofima 7⅜ 94	10	100½	101	0	+0⅛	7.27
Int-Am Dev Bk 7⅞ 93	15	102⅜	102⅞	0	0	7.47
New Zealand 7⅝ 88	15	104⅛	104⅝	−0⅛	0	6.83
World Bank 7⅝ 93	20	102⅞	103⅜	−0⅛	+0⅛	7.16

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 CS	125	94⅞	95⅜	−0⅛	−0⅛	12.88
Bell Can Tel 12¼ 99 CS	70	96¼	96⅞	0	0	12.77
Canadian Occ 12⅝ 93 CS	60†	97	97½	+0⅛	+0⅜	12.79
E.I.B. 12⅝ 93 CS	80†	96⅞	97⅜	+0⅛	+0⅜	12.70
Loblaw 12½ 90 CS	35†	96	96½	0	+0¼	13.34
Montreal City of 12 90 CS	50†	97	97½	+0⅛	+0¼	12.68
World Bank 12¼ 90 CS	75†	99⅝	99⅞	+0½	+0¼	12.47
CIE Bancaire 11.90 ECU	37	99½	100½	+0⅝	0	10.97
Westlb Fin 10⅞ 91 ECU	50	99⅝	100⅜	−0⅝	−0⅛	10.83
Amro Bank 8⅝ 88 Fl	100	103⅛	103⅝	+0⅛	+0¼	7.82
Bank Mees & Hope 8⅛ 89 Fl	100	99¼	99¾	−0⅛	0	8.37
Int Stand Ele 8½ 89 Fl	100	101⅝	102⅛	−0⅛	0	7.98
Ned Middenstandbk 9 88 Fl	100	103¾	104¼	0	+0⅛	7.80
PHP 8⅛ 85 Fl	75	99½	100	0	0	8.31
Rabobank 9 88 Fl	100	103½	104	+0¼	0	7.99
O.K.B. 14 86 FF	400	100⅞	101½	+0⅛	0	13.38
Solvay & Cie 14¼ 86 FF	200	101¾	102¼	0	0	13.34
B.F.C.E. 11½ 88 £	50	101¼	102	+0⅛	+0⅞	10.97
CIBA-Geigy Int 6⅞ 93 £	25	100	101¼	−0⅛	−0⅛	6.65
Commerzbank 11½ 90 £	25	100⅝	100⅞	0	+0¼	11.33
Denmark 10⅞ 89 £	75	98	98½	+0⅛	+0¼	11.23
E.E.C. 11⅜ 94 £	50	99⅝	100⅛	0	+0⅝	11.38
E.E.C. 11⅞ 93 £	50	101⅛	101⅝	−0⅛	−0⅛	11.50
E.I.B. 10⅞ 92 £	50	96¼	96¾	+0⅛	+0⅛	11.43
Finland Rep 11⅞ 88 £	50	102½	103	+0⅛	+0⅛	11.02
I.B.J. 11⅝ 85 £	30	99⅞	100⅜	–	–	11.50
I.I.I. 10¾ 93 £	25	96⅞	97⅜	−0⅛	+0⅞	11.23
Int Stand Ele 11⅝ 88 £	50	100½	100⅞	−0⅞	+0⅜	10.99
Norsk Hydro 12 98 £	30	104¼	105	−0⅛	0	10.87
Sweden 11¼ 93 £	50	99⅝	100⅛	0	+0⅛	11.27
Swed Exp Cred 11¼ 88 £	30	100⅛	100⅝	0	0	11.06
World Bank 11⅛ 88 £	100	100¾	101¼	0	+0⅛	10.79
Electrolux 10 89 LF	500	97⅞	98⅜	0	0	10.43
Europarat 10¾ 93 LuxFr	600	99½	100½	−0⅞	−0⅛	10.74

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Arab Banking 5¼ 96	0¼	98⅞	98⅞	15/9	10.81	10.98
B.B.L. Int 5 98	0⅛	98⅝	98⅞	11/4	5	5.06
Banque Indosuez 5¼ 99	0¾	99½	99⅞	21/6	11.06	11.15
Barclays O/S Inv 5 2004	0⅛	98⅜	98⅝	2/9	10.56	10.72
Big Fin 5¼ 96	0⅛	99½	99¾	1/6	10⅜	10.45
B.N.P. 5¼ 95 $	0⅛	99⅛	99⅜	6/6	10.19	10.26
Commerzbank 5¼ 88 XW		99½	99¾	21/5	10	10.08
Creditanstalt Bank 5 96	1/16	98⅛	98⅜	23/6	10½	10.69
Denmark 5¼ 2004	3/16	99⅝	99⅞	17/6	10⅜	10.45
Dresdner Fin 5¼ 88		99⅛	99⅜	23/5	10¼	10.33
E.D.F. 5¼ 99	0⅛	98⅞	99⅛	23/8	10.56	10.72
E.E.C. 5 90	0⅛	99⅞	100⅛	5/7	10⅜	10.38
Ferrovie State 5¼ 99	0⅛	98¾	99	31/9	10.68	10.81
Genfinance 5 94	0⅛	99¼	99½	19/7	10⅛	10.19
Grindlays Euro 5⅛ 94	0⅛	98⅞	99⅛	1/8	10¼	10.35
Midland Int Fin 5 99 $	0⅛	98¾	99	6/9	10.56	10.68
Mitsui Finance 5¼ 98	0¼	99	99¼	1/9	10.56	10.66
Neste OY 5¼ 94	0⅛	99	99¼	23/8	10.56	10.66
Quebec Hydro 5¼ 94	0⅛	99¼	99½	19/7	10⅛	10.19
Spain 5¼ 97	0⅛	97¾	98	23/8	10.56	10.79
Sumitomo 5¼ 94 $	0⅛	98⅞	99⅛	9/8	10⅛	10.23
Sweden 5⅛ 2003 $	0¼	99¾	100	17/5	10.19	10.20
Sweden Kingdom 5¼ 2024 †	0⅛	97⅞	98⅛	22/9	11.19	11.40
Talargin 5¼ 94 $	0⅛	98⅞	99⅛	16/9	10¾	10.86

Av. price changes: on day −⅛, on week −⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4¼ 95 †	2/84	108	99½	101	−0½	−6.14
Daiwa Sec Co 5½ 98 †	10/83	481.8	135	136½	+9	2.78
Fanuc 3⅜ 98	1/84	9142	149¼	150½	−1¼	28.32
Fujitsu 3 98	5/84	1320	110⅝	111⅝	+0⅛	3.91
Hitachi Cable 5¼ 96	2/82	515	165¼	166½	−2⅛	3.13
Honda Motor 5¼ 98	6/83	884	131⅞	132⅞	−1¼	−1.24
Konishiroku Photo 4 98	10/83	673	126⅞	127⅝	+22⅞	23.35
Kyowa Hakko 6¼ 97	2/83	762	138¼	139⅝	−0½	9.31
Minebea Co Ltd 5½ 98	5/83	667	114⅛	115½	+3½	1.40
Mitsubishi Electric 5¼ 98	6/83	396	119⅝	120⅝	+1	4.24
Mitsubishi Heavy 4⅞ 99	1/84	253	106	106⅞	−1½	−2.33
Murata 3½ 99	2/84	2939	138	139	−0⅝	27.27
Nippon Oil Co 3¼ 98	3/84	1052	115½	116½	+0¼	−1.77
Nippon Oil Co 5½ 98	4/83	964	128⅛	129⅛	−0⅛	−1.62
Nissan Motor 5⅜ 98	4/83	780	113⅜	114⅜	−0⅜	7.95
Olympus Optical 6⅝ 97	12/82	1157	106½	108	+0⅛	11.37
Ono Pharm'cal Co 3¼ 98	3/84	9488	128⅞	130⅞	−2	3.63
Orient Leasing 5¼ 98	6/83	2680	147⅝	148⅝	−1¼	−5.13
Secom 5 98	11/83	2020	234¾	236⅜	−1⅞	−2.77
Yamaichi Sec Co 5 98	8/83	449.5	133½	135	+0¾	−2.28
Yamanouchi Pharm'cal 4 90	10/83	1088	99⅝	100⅝	+1½	32.58
Nippon Airways 2¾ 94 SF	2/84	354	100¼	102¼	+0⅛	−3.32
Nippon Shinpan 2 92 SF	3/84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Settsu Paper 2¾ 92 SF	4/84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asics 5 92 DM	12/83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sum Realty 6½ 92 DM	6/83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices

Continued from Page 28

Stock	Sales (Hnds)	High	Low	Last	Chng
RadSy s	16	17⅞	17⅞	17⅞	−⅛
Sovran	88	32¾	32	[illegible]	[illegible]
SpcMic	2	2⅝	2⅝	[illegible]	[illegible]
SpanA	21	5¼	5¼	[illegible]	[illegible]
Spaced s	56	10½	10	[illegible]	[illegible]
[illegible]					

SECTION IV

FINANCIAL TIMES SURVEY

Nonwovens

THE TEXTILE INDUSTRY'S BIG GROWTH AREA

The future looks assured

IT IS highly appropriate that the nonwovens industry, which opens its congress and exhibition today, should have chosen Geneva for its venue. The Swiss city is both affluent and internationally minded, attributes possessed by the industry itself.

As much as any other industry, European nonwovens is international. It exists, and has grown, and can only continue to exist because it trades across national borders, far more so than the American industry whose parameters largely end at U.S. borders, or the Japanese one.

By ANTHONY MORETON

It is affluent because it has grown at a faster pace than most other European industries over the past two decades, and certainly much more rapidly than sectors with which it is associated such as textiles and plastics.

In 1970, production in Western Europe amounted to a mere 40,400 tonnes; a decade later the figure had reached 190,000 tonnes and in 1982, the last year for which figures were available, it was estimated to have reached 210,000 tonnes.

In the early years there was an exceedingly rapid rate of growth, averaging 26 per cent a year. This subsequently tailed off, and between 1975 and 1979 the rate was around 14 per cent, with an average nearer 10 per cent in recent years.

This rapid rate of growth was to a large extent due, of course, to the low base point. But, even allowing for this, progress has been little short of startling, especially given the troubles associated with allied industries in this period such as textiles, chemicals, paper and plastics.

The growth has not been completely even. There was a hiccup in late 1974 and 1975 following the oil price rises after the six-day war between Israel and Egypt in the autumn of 1973 and another one in 1981 following oil price rises in 1979. These interruptions have done little to stem what has seemed like an inevitable growth rise.

The future, too, looks as assured as anything can be. A further rise in production of around 10 per cent is expected this year, according to M Guy Massenaux, secretary general of Edana, the Brussels-based European Disposables and Nonwovens Association, with another 10 per cent likely in 1985.

It is hardly surprising, given this strength, that the industry is increasingly seeking to be considered on its own merits rather than as an adjunct of something else. For years it was considered part of other industries — hardly surprising given its close links with textiles, paper and plastics. There is now a growing awareness, however, that nonwovens is an industry in its own right, producing products which are in direct competition with those of these older-established industries.

This is perhaps nowhere more evident than in the field of medical and hospital requisites. A doctor's gown, a bed sheet or a dressing may be made by a conventional, woven method or it may be produced along a nonwoven path.

The two are not necessarily the same. The nonwoven product has to be seen, and commercially judged, on its attributes as a disposable product; the woven textile product has to be seen within a recyclable life. It may cost less, initially, than a nonwoven garment that appears similar, but its cost structure is very different.

The initially dearer nonwoven surgeon's gown has a very different cost comparison when the woven equivalent is laundered and repaired over its whole life. It is possible then that the initially "dearer" nonwoven may be cheaper in the long run.

It is around such factors that much of the discussion by buying authorities is now going on. Do they go for initial cheapness (woven) or long-term cheapness (nonwoven)?

Another problem the producers of nonwovens have is that of identification. The vast variety of products made from nonwovens, and the large spread of industries covered surprise even those within the industry.

Nonwovens are to be found in items as disparate as tea bags, surgical dressings, ropes, coat linings, sheets, bandages, support for river banks and harbour walls, coffee bags, nappies, and underpinnings for airport runways. Other applications for nonwovens are for washing-up cloths, scouring pads, carpet underlays, sanitary protectives, overalls, protective clothing, cable protection, face masks, gauze, leather substitutes, filtration equipment, roofing strip, car upholstery and tyre and engine components, and carpet underlays.

The development of nonwoven production is reflected not just by the number of products but also by the number of plants producing them. Between 1970 and 1981 the number in Europe doubled from 39 to 81, with part of the increase being accounted for by new entrants.

Main producer

The most important producer has always been Germany, but there is a wide range of production facilities. In 1970 German output was just over a third (36.4 per cent) of the European total though by 1982, as a result of strong investment in other countries this had dropped back to a quarter.

The fastest growth was recorded by the Benelux countries which in 1970 were relatively insignificant producers but which by 1982 had rise to second place. At one point, in 1981, they almost edged Germany out of top spot. British output has become stagnant, though Scandinavia, in particular, and France, to a lesser extent, have grown steadily.

As output has grown so, too, have end uses changed. Originally, interlinings for clothes were the most important outlet, accounting for about a quarter of production.

Coverstock is now by far the most important use, with civil engineering and building rising very strongly. Other important sectors are upholstery and carpet underlays (the two are not separated statistically), coating substrates, abrasives and tea bags, and wiping cloths.

Coverstock is the trade term for nappies, adult incontinence pads and feminine hygiene products. Nonwovens have never become as important in coverstock in Europe as they have in the U.S., where Procter and Gamble is considered to be the market leader, but there have still been enormous increases in recent years.

These increases have arisen from the installation of new plant; indeed, new plant has led to some fears that in this sector signs of overcapacity could be emerging. The overcapacity is not so much due, however, to excess plant as to technical changes. These are taking place with such rapidity that much *plant is quickly obsolescent.*

Further strong growth in the coverstock market in Europe is expected though disposables penetration in this market may never reach U.S. levels. Growth will also come from the supply of products to deal with the problem of adult incontinence. There are 36m people in the EEC over the age of 65 and it has been estimated that as many as one in five has an incontinence problem.

Strong area

Medical outlets for nonwovens have also been increasing steadily, and here the battle centres on inducing the client to move to disposables. Face masks, caps and shoe covers have largely become disposable but there has not been the same success in winning a share of the market for overalls and bed linen. Both bed and table linen, which at one time were expected to emerge as an expanding sector have proved to be disappointing.

Interlinings have always been a strong area for nonwovens because of their excellent quality as drapes. But nonwovens have made little headway into clothes production.

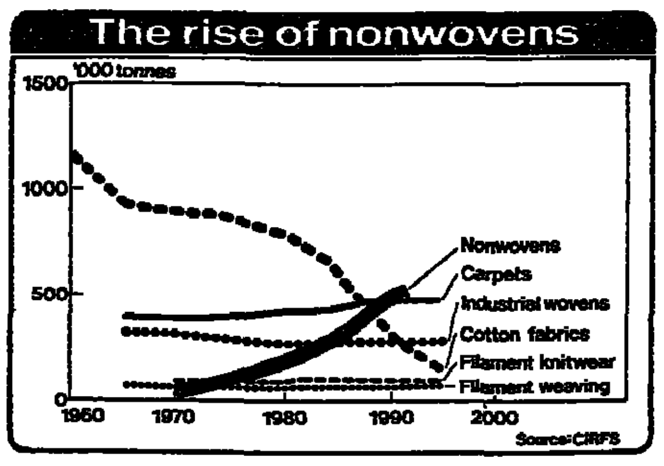
The fastest growing side now is undoubtedly in civil engineering and building where expansion has been very rapid since 1977. This end-use originated in Europe with several of the big producers and the main development still remaining on this side of the Atlantic.

The characteristics which have helped nonwovens to succeed in this area include price, strong tear resistance, tensile strength to match the stress involved, and high resistance to rotting and ageing. Above-average growth is expected to continue, too, because export markets have opened up handsomely.

The European industry is now looking forward to a growth of at least 8 per cent a year, which might be a conservative estimate.

A switch in consumption of basic raw materials away from cellulosic fibres, which characterised the early days, towards polyester and polypropylene, in particular, has also characterised the industry. It illustrates the degree of change which has taken place in, and continues to take place in, what is now established as a very fast-moving industry.

The rise of nonwovens



Source: CIRFS

EUROPEAN PRODUCTION BY COUNTRY
(Figures in tonnes)

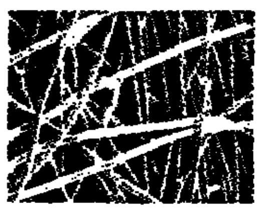
	1970	1975	1978	1981	1982
Germany	14,700	20,500	31,200	46,600	53,200
UK	8,400	22,200	33,500	32,400	34,600
France	7,600	16,900	23,000	27,500	29,200
Benelux	6,000	21,400	37,000	41,100	44,500
Scandinavia	1,900	10,700	16,100	21,400	25,600
Others	1,800	5,600	11,300	22,000	22,900
Total	40,400	97,300	152,100	191,000	210,000

Source: EDANA

NONWOVENS: A DEFINITION

THE difference between a nonwoven fabric and a woven fabric may be summarised as follows:

- In a woven fabric, the fibres are aligned in two directions, perpendicular to each other.
- In a nonwoven fabric, the filaments or fibres are entangled multi-directionally.
- The methods of manufacturing nonwovens eliminate traditional textile processes, such as spinning, weaving or knitting. Instead, these fibrous products are produced by dry laid, wet laid, spun bond and fibrilated web systems, described in more detail on page II of this survey. Shown here is a microscopic view of a thermally-bound nonwoven fabric.



INDEX '84 STARTS TODAY

VISITORS and exhibitors from the U.S., Japan, South America, the Middle East, Eastern and Western Europe will be participating in INDEX '84, the congress and exhibition for the nonwovens industry.

The event, held every three years, opens today at Palexpo, Geneva, with close to 180 international exhibitors—a substantial increase on the previous show.

More than 80 speakers are taking part in the congress in which various seminars will review production and marketing developments within sectors of the industry. The congress, which runs from today until Thursday, features sessions in English, French and German.

IN THIS SURVEY

Plenty of innovation among the industry's major producers

A growing trend towards spunbonded products

THE CINDERELLA image which has masked the developing nonwovens industry for more than 20 years is now evaporating, revealing the involvement of some of the world's largest fibre and textile organisations.

At the same time, innovatory methods for making nonwovens are tending to push the actual manufacturing stage further upstream closer to fibre extrusion. This is placing some companies in the potentially embarrassing situation of being both suppliers to the nonwovens industry and nonwovens manufacturers themselves. Such companies have so far managed to handle the problem delicately and successfully.

By DEREK WARD

The situation is best exemplified by the spunbonding sector. In Europe, several major fibre producing organisations—ICI Fibres, Hoechst, Rhone-Poulenc, Enka and Du Pont—have been making spunbonded fabrics for years. The concept is one of the closest approaches to the idea of the instant fabric.

Manmade fibres are usually made by forcing a molten polymer through spinneret, a device something like the rose of a watering can. The streams or filaments of polymer thus created are coagulated or solidified in various ways, and may be then chopped into short lengths similar to those of natural fibres.

The manmade fibres can be spun into yarns, or supplied to form the web which is the basis of most conventional nonwovens.

In spunbonding, the thermoplastic filaments are fed from a row of spinnerets onto a moving, sideways oscillating belt. The flat web of continuous filaments created is consolidated into a fabric by heat and pressure, chemical or possibly mechanical means.

Although the process is basically simple, considerable expertise and financial investment are involved in making a satisfactory spunbonded fabric.

Du Pont is generally accepted as having pioneered the idea, and its first production facilities were in the U.S. Its only non-U.S. spunbonding facility was set up in Luxembourg in 1974 and represents a capital investment of almost £20m.

Big effort

Du Pont has made strenuous efforts to steer clear of markets serviced by its fibre customers. Typar, the group's main spunbonded in volume terms (and the only one made in Luxembourg) has been closely associated with the tufted carpet backing fabric market and more recently with geotextiles.

Most other European fibre producers, when they entered the spunbonding business, first attempted to emulate Du Pont's success in the carpet backing field before moving into other markets where they wouldn't compete directly with fibre customers.

ICI Fibres, with Terram melded filament fabrics, now dominates major areas of geotextile sectors in several parts of the world.

Hoechst is a prominent supplier of spunbonded roofing materials in both Europe and North America, and Rhône-Poulenc—the only spunbonded manufacturers to have its fabric made in three continents—has also concentrated on geotextiles.

The French group, which had a nonwovens turnover of FFr 216m last year, and is forecasting total output this year of 11,400 tonnes, is also represented in roofing, carpet underlay, the car and footwear industries.

In footwear, its Bidim nonwovens brand is sold to manufacturers who process the material, generally by impregnating it, before reselling it in a form which can be used by footwear manufacturers. The material has begun to replace teaseled cotton fabrics and other cellulosics in toepuffs and stiffeners and in insoles.

Geotextiles markets in particular demand comparatively large quantities of fairly standard fabrics—a demand suiting the large output but limited versatility of most spunbonding systems.

Since the start of this decade, spunbondeds have increased their share of total Western European nonwovens output from 5 per cent to over 30 per cent.

Spunbonding as a technique for making nonwovens has not been entirely confined to fibre producers. The Lurgi group in West Germany developed a simple, yet still capital intensive, method, the Docan process, and has granted seven licences over the past decade.

Some licensees, such as Kimberley-Clark, in the U.S., were already involved in the more conventional nonwovens sector. Others were entering the nonwovens sector for the first time. J. H. Benecke, West Germany, for example, was possibly the first licensee. The company installed its spunbonding line initially as an in-house source of carrier fabrics for its pvc product ranges, then discovered a wide market potential beyond the company's own needs.

The company—founded over 260 years ago by the Benecke family which still controls it—claims to be the biggest supplier in Europe of coated materials for automotive interiors and has also developed markets for its Corovin polypropylene and polyester spunbonded nonwovens in a number of other product areas.

Main areas

Among the most important are coverstock (for diaper and similar products) quilting for the bedwear and mattress industries, in protective clothing, filtration and agricultural applications.

The company, which has a turnover of £90m altogether and 1,650 employees spread across all its activities, believes spunbondeds will continue to replace other textile materials on the basis of their better price/efficiency ratio.

The company's own estimates put the production of nonwovens in Europe currently at 250,000 tonnes, with spunbondeds totalling 90,000 (divided into 70,000 tonnes over 150 gm per sq metre and 20,000 tonnes under 150 gm per sq m). Whereas spunbondeds in general are expected to grow at 12 per cent a year until 1990, Benecke expects the growth rate for lighter weight spunbondeds to be nearly 30 per cent a year until 1990, reflecting their growing penetration into areas such as coverstock.

Another U.S. licensee, Crown Zellerbach Corporation, was a major papermaking operation before adding spunbonding to its activities. This latter company has recently licensed a Swedish company to build a spunbonding plant employing what has developed into the Crown Zellerbach system.

The Swedish company, Holmens Bruk, is acknowledged to be one of the largest European manufacturers of newsprint. It is to invest £12.6m in the spunbonding project, which is scheduled to come on stream early next year.

As a manufacturing technique, spunbonding appears to attract papermaking organisations, perhaps because of its potential for fast and large scale output of fairly standard qualities. Sodoca, another Lurgi licensee, was originally set up in France by the Swiss-based Holzstoff group.

Although Sodoca first made strong marketing efforts in the geotextile markets, more recently the company has diversified into making spunbondeds for use as carriers in simulated leathers, for various bedding and mattresses, agricultural, protective clothing and special industrial applications.

Du Pont's production of three different generic types of spunbondeds ... plus ... spunlaced materials (the latter consist of a fibre web held together entirely by inter-fibre friction, the fibres having been arranged to produce this friction—and to create a variety of inherent pattern effects—by a highly sophisticated water-jet technique) makes the company the biggest nonwovens manufacturer in the world in volume terms.

Most spunbonded manufacturers concentrate on making only one generic type, usually polypropylene or polyester.

Another outstanding exception, however, is Lutravil Spinnvlies, West Germany, which makes both these two and others based on nylon.

Diverse group

Lutravil is the spunbonding subsidiary of Carl Freudenberg group, arguably the most diverse and cosmopolitan nonwovens organisation in the world. Freudenberg has extensive manufacturing facilities through fully-owned, majority-owned and minority-holding operations in Western Europe, North America and the Far East. The organisation is involved in manufacturing virtually every type of nonwoven.

In the UK, Bondina—one of the largest domestic nonwovens manufacturers (making nonwovens for applications as varied as apparel interlinings, battery separators, medical items, filtration and electrical insulation)—is a Freudenberg subsidiary.

Total turnover in 1983 of the still privately-owned Carl Freudenberg company was £194.8m. This figure takes into account all fully-owned operations, and those in which the company has a share of more than 50 per cent: to it can be added a further £100.8m from other operations in which Freudenberg has a minority interest.

Another major UK nonwovens manufacturer is Bonded Fibre Fabric. This company, too, markets a range of constructions equally as varied as that of Bondina. BFF is an associate of Courtaulds Group but represents only one nonwovens manufacturing customer for the fibre producer's viscose items.

PRODUCTION PROCESSES

	1970		1975		1978		1981	
Process	tonnes	%	tonnes	%	tonnes	%	tonnes	%
Drylaid	33,500	83	61,300	63	84,100	55.3	105,200	55.1
Wetlaid	4,900	12	14,900	15.3	24,400	16.0	28,000	14.7
Spunlaid	2,000	5	21,100	21.7	43,600	28.7	57,800	30.2
Total	40,400	100	97.300	100	152,100	100	191,000	100

Source: EDANA

EUROPEAN PRODUCTION [tonnes]

1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 est.
63.300	84,000	100,700	97,300	114,700	132,600	152,100	176,100	185,600	191,000	210,000	230,000

Source: EDANA

Production techniques eliminate traditional textile processes

New manufacturing methods

NONWOVENS are characterised by the presence of a fibrous structure, consolidated into materials of the required strength and other properties. Their methods of manufacture eliminate traditional textile processes, such as spinning and weaving or knitting.

The fibrous element of these products provides the general classification of nonwovens and their methods of production into dry laid, wet laid, spun bond and fibrillated web systems.

WEB FORMATION

● **Dry laid**, in which fibres are arranged into directionally oriented or randomised webs or combinations of both, by carding or related processes.

● **Wet laid**, in which the fibrous element of wet laid nonwovens is produced by dispersion of the fibres in water and deposited as a web.

● **Spun bond**, in which fibre-forming polymers are extruded through spinnerettes and the continuous filaments formed arranged as a fibrous web.

● **Fibrillated** nonwovens, in which extruded thermoplastic polymer film is biaxially stretched, causing fibrillation and the formation of a web-like structure.

The bulk of both dry-laid and wet-laid production is in the lower weight range, such as wipes and coverstock, while spun-laid fabrics are concentrated in higher weight categories, most notably geotextiles. This is, however, changing and figures for spun-laid fabrics below 25 gm/sq. m. indicate a growing penetration of spun-laid nonwovens in the coverstock sector.

BONDING

Many methods are employed to bond the webs formed into products of the required physical properties. These bonding processes may include the use of adhesives, solvents, heat, fibre entanglement, compression or combinations of all of them.

● **Adhesive and solvent bonds:**
Webs may be bonded by adhesives or fibre solvents. The application may be by total saturation or in discrete areas or by spraying, providing products of a wide range of weights, density, loft, strength and softness.

● **Thermal bonding:**
Webs containing thermoplastic fibres may be bonded by heat to produce voluminous products. Use of heat and pressure applied overall, or in discrete areas, provides more compact materials of varying degrees of firmness.

● **Mechanical bonding:**
Webs may be consolidated by mechanical entanglement of their fibrous component by needle punching, stitching without thread and other methods.

FINISHING & CONVERSION

Nonwovens may be converted by finishing processes for aesthetic or utilitarian purposes. Such processes include decorative printing, treatments to improve chemical and physical properties, flame retardance, absorption and water repellence. Nonwovens may be coated or laminated to other products for a variety of end uses.

* * *

Certain features are common to all methods of production. They have low manning levels, high productive capacity, need relatively high capital investment and a shorter than usual process for converting the raw material into the finished product.

Bright idea

According to Mr Ken Floyd, of the Shirley Institute in Manchester, nonwoven techniques got off to an unwise start through the use of cheap processes associated with adhesive bonding.

This was developed in the U.S. during the 1940s to use waste cotton fibre which was too short in staple length to enable it to be spun into yarn by conventional means.

"Someone had the bright idea that it should be possible to stick these fibres together to form some sort of fabric.

"Unfortunately, the only adhesives which were considered suitable for such a low-grade product were water soluble. Consequently, these first examples of adhesive-bonded fabrics, although passable when dry literally fell apart when wet.

"It was not surprising, therefore, that the whole family of nonwoven fabrics came to be regarded by industry and the general public as a cheap, wartime substitute."

Since then, according to Mr Floyd, it has been possible to see three phases—the production of cheap, usually inferior substitutes, selling mainly on their low cost, few of which remain today; the production of more sophisticated products capable of selling on their own merits in direct competition with traditional products; and the production of engineered structures designed to meet specific requirements which cannot be made in any other way, such as filter materials for air-conditioning plants.

The process of producing nonwoven products began with needle punching, originally, according to Mr Floyd, called needle felting. Reciprocating barbed needles are used to produce mechanical interlocking of fibres in a fleece to provide sufficient cohesion.

This was followed by adhesive bonding and then by stitch bonding, a process developed simultaneously in Czechoslovakia and East Germany during the late 1950s. Under it, a fibrous fleece is consolidated by knitting through the fleece, using a modified form of warp-knitting machine.

The next commercial step forward was spun bonding, by which polymer chips are fed into one end of a production line and a fabric emerges, and then wet-laid nonwovens came along and then spun-laced fabrics developed by Du Pont.

By this latter process high-velocity fluid jets are used to produce both apertures and mechanical interlocking of the fibres, which combine to give soft fabrics with good hanging qualities.

Anthony Moreton

NONWOVENS III

U.S. PRODUCTION GROWTH OUTPACES EUROPE

U.S. PRODUCTION of non-wovens has been growing at an even faster pace than in Europe. Department of Commerce statistics show the manufacturers' shipments rose by some 41 per cent between 1978 and 1982 to reach $2.4bn.

By comparison, it has been estimated that Western European output, with the exception of Spain and Portugal, was $750m in 1982, the last year for which figures are available.

The U.S. is largely self-sufficient in its needs. There is a relatively small export trade, at $146m but imports account for an even smaller $61m, less than 3 per cent of consumption.

There are probably more than 200 companies producing non-wovens against some 85 in Europe and these are congregated in four main areas, California, New York, North Carolina and Pennsylvania.

It has been estimated that employment is now running at about 29,000, a rise of around 16 per cent since 1978. A report prepared for the U.S. International Trade Commission suggests that much of the increase has been in bonded fabric production.

These are usually produced in large plants with a minimum of 100 workers whereas most webs, waddings and batting are turned out by plants which employ 20 or fewer workers. The report indicates that bonded fabric output is dominated by fewer than 25 concerns.

U.S. output has been stimulated by the cheap energy policies pursued by successive administrations and this has given the industry an enormous edge over its European and Japanese competitors whose rate of growth has been affected by oil price rises in the 1970s.

There was a slight hiatus in 1980, when shipments went up by just $66m, but the strong growth was quickly resumed and in 1981 it rose by $266m and another $156m in 1982.

Exports, as the table shows, experienced a very severe hiccup in 1982, dropping back 14 per cent. It is felt in Washington that increasing prices and weaker markets overseas were responsible for the drop. The most important markets were Japan, Canada, Belgium, the UK and West Germany.

Imports have been relatively stable over the years 1979-82 with indications that the U.S. has been substituting home production at the cheaper end of the scale for overseas goods.

There are indications, though, that the U.S. is taking increasing amounts of the higher-value non-wovens, especially from Japan, Taiwan and Holland. These were going in particular to hospital and other medical uses, where disposables appeared to be making ground at the expense of other products.

Japan's links with the U.S. appear to be strengthening and it is felt there could be a further rise in trade between the two countries.

Anthony Moreton

New markets open up for European producers

Optimism among fibre groups

Nonwovens are by far the biggest story in textiles today, both in Europe and the U.S., and for that reason are attracting very considerable interest from the world's big fibre producers.

By the early 1990s the sector, which only 15 years ago accounted for less than 50,000 tonnes of fibre a year in Europe, will have climbed to more than 500,000 tonnes, overtaking the carpet industry, industrial wovens, cotton fabrics, filament knitwear, and weaving as a fibre customer.

By RHYS DAVID

Accordingly, all of Europe's big fibre groups—Hoechst, ICI Fibres, Courtaulds, Rhone-Poulenc, Montefibre—as well as other smaller producers, and American-owned suppliers such as Du Pont, are trying to develop and market high performance, premium-priced, products aimed at the sector.

The potential for the product is literally enormous and it is taking the fibre producers and their customers into areas—such as medical textiles, and geotextiles—which are far removed from the import-dominated apparel area, and, at this stage, too specialist to attract significant developing country interest.

Nonwovens are developing completely new markets for textile type products—geotextiles again—and winning markets from established products—substrates for industrial coating, for example—because they represent the closest approach yet to the fibre makers' dream—a more or less direct route from fibre to fabric with a minimum of intermediary processing.

Machinery

Heavy cost in textile production is incurred at the point where machinery weaves or knits yarns into fabric, and this is the reason why production has shifted to developing countries. In nonwoven manufacturing—whichever of three main processes is used—fibre is, generally speaking merely tangled together to form a mat which is then turned into a fabric, either by the addition of acrylic, styrene butadiene, or other binders, or by thermosetting.

The machinery for doing this is becoming increasingly sophisticated, and the numbers employed to operate it can be minimal. Moreover, the process can be very fast, making it possible to produce in comparatively short times, hundreds of yards of material for use, for example, as a stabiliser on lengthy road projects.

Perhaps surprisingly, given the industry's apparent dynamism, it is good, old-fashioned viscose (rayon) which remains the most widely used nonwoven fibre, accounting for around one-third of European consumption in 1981 and somewhat less in 1982.

Rayon's share is the result of the dominant position it built up in a number of fast-growing markets such as disposable diapers and other personal hygiene products, and in wipes, but in the first of these categories it has found itself under increasing attack over recent years from its old enemy, polyester. While rayon consumption has grown from only 47,600 tonnes in 1975 (when it represented 55 per cent of total fibre consumption) to 57,100 tonnes in 1981 (falling back to 55,600 in 1982), polyester has forged ahead from 14,700 tonnes in 1975 to 45,300 tonnes in 1981.

The principal reason for this is the inroads polyester has been able to make in the coverstock market—the technical term for the outer covering of disposable diapers and similar products. The market leader, Procter and Gamble, switched into polyester in the U.S. in the late 1970s with the result that viscose lost its dominant share of a 50,000 tonnes per year market, and now holds only an estimated 10-15 per cent.

In Europe, where the market is about the same size, the transition has not been so complete, but viscose is still down to only a half share.

It is a market where the ultimate customer—the baby—has only limited means of expressing his preferences, but the rayon men are, nevertheless, not despondent, and believe the pendulum will one day swing back their way.

"Polyester coverstock is being sold on the basis of its stay-dry qualities. Everyone focuses on the properties of the diaper after the baby has wet it. It is just as important to think about the period before, when rayon next to the skin is likely to be much more soft and comfortable," one of the rayon producers points out.

While rayon may have to wait for its turn to come back again, it does have other strong new markets developing which in the view of Courtaulds, one of the world's big producers of the product, will result in total tonnage used remaining stable, even if overall market share declines as overall nonwoven output grows.

U.S. market

In the U.S. there is a market estimated at between 5,000-10,000 tonnes a year in tumble drier fabric softeners, such as P and G's Bounce. These are nonwovens impregnated with softener which are put in with washing into tumble driers. An allied product, a whitening agent again carried on a nonwoven, which is placed with washing into the machine is also being launched in the U.S. In both cases the nonwoven is rayon.

Another application for rayon with enormous potential could hardly be more different—floppy disk wipes. If even minute particles are carried on to the disk by the head, information can be dislodged, affecting performance. As a result in the U.S. the disks now incorporate 80/20 rayon/polypropylene nonwoven twines which sweep the disk to ensure any debris is swiftly removed.

In wipes generally, for hygiene or domestic use, rayon and paper are the main material used, depending on the strength required and are unlikely to be challenged by the man-made fibres which lack absorbent properties. Other outlets for rayon nonwovens include curtains and mattress tickings.

For the synthetic fibres such as polyester and polypropylene, and to a lesser extent polyamide (nylon) the market starts at the lighter end where the competition is with viscose and extends up to the very heaviest applications in geotextiles—until recently easily the most important nonwovens outlet for synthetics.

The synthetics, however, have been conducting their own internal battle as well as seeking to drive rayon out of coverstock, and this internal feud is now beginning to reach its climax.

The first synthetic nonwovens to enter the coverstock market were resin-bonded polyesters, but these are themselves under challenge from thermoset polypropylene or polyester fibres. To a large extent this reflects the decision by Procter & Gamble: to move to thermoset nonwovens, a move that has made its competitors rethink their own fibre usage.

The advantages of the thermal bonding process is that the product, because it eleminates binders, is simpler and more economical to produce, and more energy efficient. Fabrics produced by this route can also be softer and yet possess better strength and abrasion resistance. ICI is confident that 40 per cent of coverstock will within the next few years be manufactured from drylaid thermal-bonded fibre, and that thermal-bonding will also make substantial gains in other nonwoven areas. Others believe products using binders will maintain a significant share of the market.

What is less clear at present is the share which the two competing fibres, polypropylene and polyester, will carve out for themselves. Polypropylene has been given a flying start by the decision of Procter & Gamble to stipulate it, and its main suppliers have been gearing up to produce nonwovens in the material. Its main advantage is its superior hygrophobic properties—in the trade known as its "strike-through" and "re-wet."

Most of Europe's big fibre groups, including Hoechst, Enka and Rhone-Poulenc, have responded with specially engineered, partially oriented polyester binder fibres which soften to form a web under heat, but there remain some technical problems to be solved. In the U.S. similar specialist polyesters have been developed by Du Pont, Eastman Kodak, and Celanese.

ICI is going a different route (as too are the Japanese groups Chisso and Unitika). It is offering heterofil polyester fibres combining a sheath and core which it claims have a number of definite advantages. Principally, there is a softening differential of 40 deg. Cent. between sheath and core which means that the bonding process can take place without affecting the strength of the core.

Qualities

The product, because of its special properties, is more expensive than the rival thermoplastics and is not quite as hygrophobic as polypropylene. It has the advantage, however, of being able to produce a particularly soft non woven, and will be marketed by ICI as a premium product. The UK group will be presenting its range at INDEX 84 this week.

Other heterofils produced by ICI are already widely used in nonwovens for filtration, and in interlinings and shoelinings. In these last two applications polyamide rather than polyester is the main fibre in use. ICI also sees strong growth possibilities for thermally bonded polyester heterofil fabrics in hospital products where polyester has the edge over polypropylene because of its superior ability to withstand sterilisation treatment.

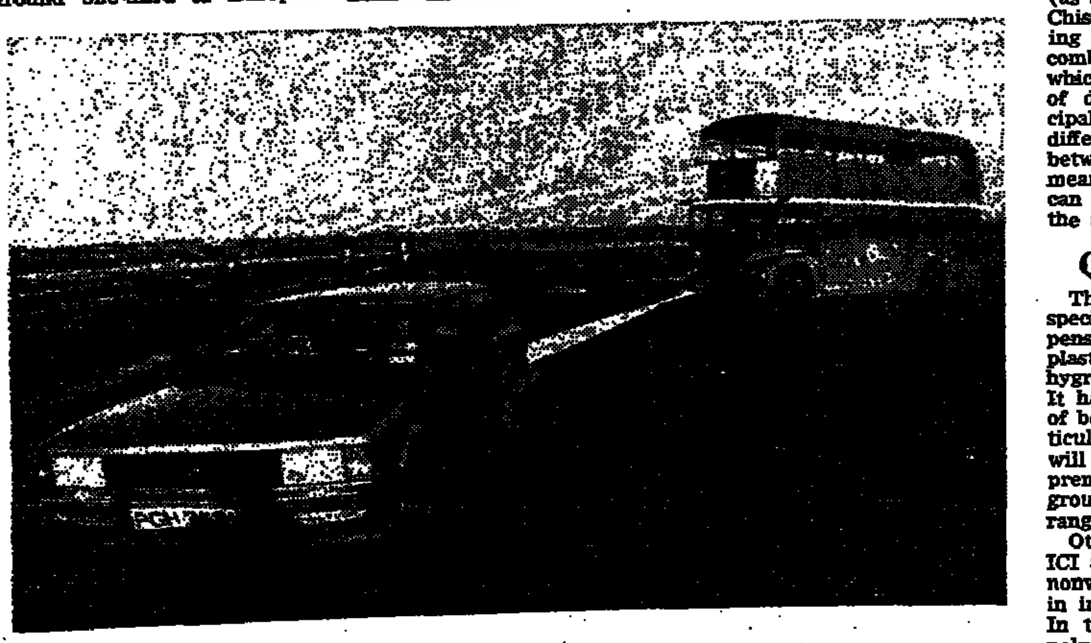
The main area still untouched by nonwovens except for certain specialised products is durable apparel, but the big synthetic fibre groups have that in their sights, as a long term goal, too.

For the present they are happy enough to have found, after 10 years of retrenchment, an area of growth so that the process of developing new products for expanding markets can start again.

NONWOVEN INDUSTRY—FIBRE CONSUMPTION

	1975 tons	1975 %	1978 tons	1981 tons	1981 %
Rayon	47,600	55	53,500	57,100	33.1
Polyester	14,700	17	27,500	45,300	26.2
Polypropylene	18,200	21	27,000	34,100	19.8
Polyamide			9,400	11,700	6.8
Others m. m. fibres			4,200	5,000	2.9
Natural fibres	6,100	7	14,300	17,500	10.1
Others			700	1,900	1.1
TOTAL	86,600	100	136,600	172,600	100

Source: EDANA



Strong enough to pull a bus

Manufacturers of strong envelopes made of nonwovens are fond of using dramatic demonstrations to highlight the tear-resistance and tensile strength of the materials used in their products.

For example, Emerson Envelopes of London demonstrated these remarkably tough qualities by pulling along a double-deck bus, using only a 30 ft strip of Tyvek spunbonded olefin, manufactured by Du Pont.

"Even rain didn't impede the experiment," explained Mr Martin Young, an Emerson manager, "because the physical properties of the spun-bonded strip of very fine polyethyelene fibres are practically unaffected by water, which is easily shed from the surface of the envelope.

Contrast

In a demonstration for another company, a West German salesman found a novel way of impressing potential buyers of nonwoven envelopes.

He took clients to the second floor of his hotel and put a telephone inside a conventional padded paper envelope, and another telephone inside a padded non-woven envelope. Then he threw both packages out of the window, (first ensuring that no-one was underneath). The paper package split—but the nonwoven one remained intact. The buyers were impressed.

The qualities of these envelopes which are made in all shapes and sizes are proving useful for a diverse range of applications—for example, high couture clothes are sent from Paris to Japan in large, tear - resistant envelopes. Another application is in mail packages for despatch to oil rigs in the North Sea.

Michael Wiltshire

The needs of very young children offer a market in which there is intense competition

Multinational hardsell aimed at mothers

FOR ONE explanation of the five-fold growth in production of nonwovens across Europe since 1970, to the present consumption of more than 200,000 tonnes a year, it is necessary to look no further than the pages of women's magazines, particularly those aimed at mothers of very young children.

Each week within their covers these magazines have become the battleground where rival health-care groups, some of them very large multinationals, promote their various brands of disposable diaper.

By RHYS DAVID

In effect, a battle within a battle is going on. The switch to disposables started later in Europe, than in the U.S. where terry towelling has lost most of its market share, and there remains a large potential European market to be tapped.

Trying to win a share of this market are a number of indigenous groups in each of the different national markets on the one side, and on the other, big American groups, most notably Procter & Gamble which, on some estimates, has 25 per cent of the world disposable diaper market, through brands such as Pampers.

Each of these diapers consists of an absorbent interior covered by a nonwoven outer casing, specifically designed to allow moisture to pass one way only, and it is the market offered by the growth of this product which has played a major part in stimulating the large scale investment which has taken place in nonwoven production in recent years.

At the same time, the technology needed to promote a product which will perform well in such a demanding application has been out to good effect elsewhere. The problems of adult incontinence—likely to grow as the population structure of Europe ages—is now being tackled with the aid of nonwoven products.

Nonwovens have also been taking over in Europe—as in the U.S.—from traditional cotton-based products in medical and surgical applications. The product is being employed for surgeons' gowns, masks, drapes and tray covers and is beginning to be used as a replacement for cotton gauze.

Shift

Though their arguments would certainly be challenged by the nonwoven) by virtue of by cotton producers, nonwoven manufacturers argue that the shift of cotton textile manufacture to the Third World, where most of the cotton crop is grown, has introduced political and economic uncertainties into the supply situation and will tend, over the long term, to lead to a greater use of nonwovens produced in the developed countries.

The qualities needed in these various products can be engineered in (without losing the cost advantages possessed by) the nonwoven by virtue of the relative simplicity of the manufacturing techniques involved. Thus, a product can be made to absorb very quickly across the whole of its surface where it is being used as a wipe, or it can attract moisture from its surface instantly, to be absorbed by a pad, where it is being used as a cover.

Its ability to perform in this way is a function of the fibres used—and these can vary from absorbent viscose (or even cotton) to thermoplastic polypropylene—and of construction, again infinitely variable.

The opportunities opened up over the last decade for nonwovens have, not surprisingly, proved highly attractive to companies faced with decline in their core areas and the participants have been drawn not just from textiles but from the paper, leather and other industries, as well.

"Nonwovens have been growing at 8-10 per cent, while, in textiles, the growth rate has been negative, and in paper not much more than 1 per cent," one industry observer points out.

In many cases these entrants into the field saw nonwovens as an extension to their existing product base or as a way of making existing products more cheaply than by conventional woven and knitted, or papermaking, routes.

With the passage of time, many of the differences between these approaches have been blurred and the technologies employed have begun to merge. One result is that paper companies which originally entered the industry, perhaps to produce backing for vinyl wallpapers, and textiles companies which entered in order to produce cheaper substrates for vinyl coating, are now competing in each others' traditional areas.

In the U.S., for example, two key suppliers of diaper coverstock to P and G are Scott, the paper giant, and Kendall, the biggest U.S. health-care supplier, and a subsidiary since 1972 of P and G's arch rival Colgate - Palmolive. Kendall started off as a cotton grower and manufacturer.

Apart from the established textile and paper companies which have sought to carve out a share of the market, other smaller groups have also been encouraged to try their hand by the ready availability of equipment, mainly from German manufacturers. Compared with the cost of installing a new paper line—perhaps £25m—entry into non-wovens comes cheap, at perhaps no more than £5m.

Machinery is, in fact, available nowadays off the shelf, making it possible for companies with no previous background in textiles or paper to become producers, a far cry from the early days of the industry when machinery development was led by the non-woven manufacturer himself, drawing on expertise from his core activity, to achieve the manufacturing performance he wanted.

As a result of all these factors there are now no fewer than 80 European manufacturers serving the market, concentrated in Germany, Britain, the Netherlands, Belgium and France—and, in the opinion of some observers, there is significant overcapacity.

According to Mr William Duncan, director of marketing for Europe of Kendall, in diaper-related products there is 30 per cent too much capacity. "Consumption is set to rise by six per cent a year, yet we have 12-15 per cent new capacity being put in. Something has to give," he says.

In part, the overcapacity is due to the enormous increases in the productive capacity of the machinery now available. In the late 1970s a coverstock line was likely to produce 50m sq metres a year, but today's machines—which have had a crippling effect on the economics of elder machines—can run out 150m-200m sq metres a year. As a consequence, coverstock is becoming a buyers' market with prices falling by 25 per cent over the past six months.

How the market in lightweight nonwovens will shake down in Europe is now the key question, and the main topic of interest within the industry generally. In the U.S., while there are a very large number of nonwoven companies, a dominant share of the market is held by a relatively small number and a similar process could follow in Europe. Already, in Europe the number supplying all or most of the main end-uses is confined to about 15 companies.

The pattern that emerges is likely to be varied. There is likely to be a number of casualties especially among some of the new entrants fighting to win a market share on prices alone, and elimination of older unprofitable lines. Other companies, including some of the larger groups, are likely to take shelter from competition in commodity areas by concentrating increasingly on high added-value areas such as medical/surgical uses.

The marketing effort which will be put behind these products could see a major acceleration in Europe away from re-usable to disposable hospital theatre and other equipment and a big increase in nonwoven usage in surgical operations. Kendall, Molnlycke Chicopee (part of Johnson & Johnson) and Du Pont (whose interests in nonwovens extend from geotextiles to surgeons' masks) are all devoting more attention to this sector.

Big share

Chicopee is no longer supplying coverstock to P & G in Europe, though it is still an important supplier to its U.S. factories. The company, which enjoyed a large share with Kendall of P & G's European business when the American soap giant started making its disposables in Europe, has concentrated its nonwoven production in the Netherlands. A factory in Pontypool, in Wales, has been closed.

The big groups which are fully committed to nonwovens also hope to pull away from their smaller rivals by making full use of their technological and financial muscle, and through the close links they are able to establish with the big users of nonwovens.

In the case of disposable diapers, this more or less means P & G, which is expected to cause a major wave throughout the market in a few months' time with a new diaper which relies on new materials and construction techniques. The product is based on a development by Hercules, the U.S. chemicals and fibre group, which has found ways of bonding polypropylene at lower temperatures and higher speeds to produce a non-woven product.

The significance of this is that it eliminates the use of binders to hold the fibres together, and it has meant the loss of an important slice of business for its major suppliers of polyester such as Du Pont and of binders such as Rohm and Haas.

It also puts pressure on the other manufacturers of disposable diapers including, in Europe, Boussac St Freres (makers of Peaudouce and a variety of own-label brands) and Colgate-Palmolive which sells its Snugglers and Calines brands in the British and French markets only. P & G's requirements will absorb all the new polypropylene that Hercules is making and this is being converted into coverstock for the company by its big U.S. suppliers, Chicopee, Scott and Kendall.

Montefibre, Europe's leading polypropylene producer, has reached an agreement with Hercules to make the new fibre at a new joint venture in Italy, Himont.

Techniques

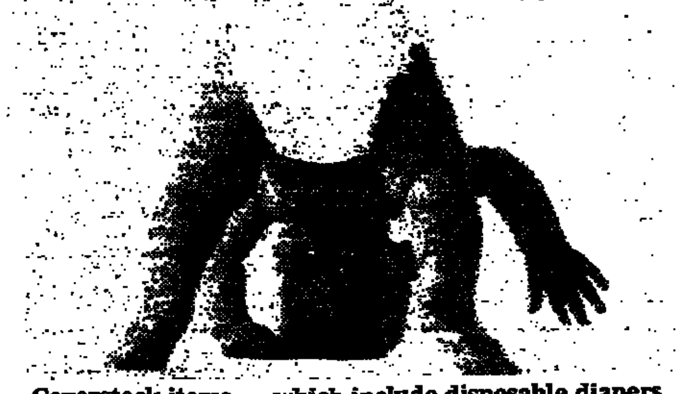
It all points to the industry entering a new period when technological depth and a commitment to stay in nonwovens, investing alongside the major customers, will be ushered in.

The strongest companies in this situation, and the ones best able to come up with the new developments which the users will demand, could well turn out to be those with a wide spread across the product range and experience with several manufacturing methods. They will have the advantage of being able to cross-fertilise between sectors, bringing advances made in one product area or process, to others.

At the same time in an industry as fast-growing as nonwovens there is little doubt that plenty of opportunities will continue to exist for small entrepreneurial businesses which spot market gaps or new techniques overlooked by the industry leaders.

The market situation in nonwovens, in some respects, bears similarities to that, in the 1970s, of tufted carpets. Then, too, a new and less expensive manufacturing method opened up a new market by bringing carpet within the reach of many more buyers. The late 1970s saw the product become a commodity as a result of the comparative ease with which entry into the market could be made, with market stability returning later as the weaker companies were driven out.

Such a development has to be considered as a strong possibility in nonwovens, too. For the industry the challenge will be to anticipate it, and to avoid the trauma which other industries, such as tufted carpets, had to negotiate.



Coverstock items — which include disposable diapers — are among the best-established product areas for U.S. and European nonwovens manufacturers. They represent a high-volume, low-margin business

Coverstock market moves into new areas

AMONG THE young, expanding markets for nonwovens, coverstock is already a "grand-dad" product. Scores of manufacturers in the U.S. and Europe pitched into coverstock over the last 10-15 years with the result that making and selling coverstock is now a mature, high-volume, low-margin business.

Coverstock is the thick, absorbent nonwoven material used in disposable diapers, feminine hygiene products and pads for incontinent adults. After rapid growth in the first area, manufacturers still in the coverstock business are now eyeing the second two areas as offering the best prospects for growth.

Feminine hygiene products are a $1bn market in the U.S.; sales in the UK are around £110m at the retail level. Companies who market sanitary napkins spend heavily on advertising, making claims which have a direct bearing on the coverstock manufacturer.

The precise character of the covering material on a sanitary napkin will have a big influence on the woman's perception of the product and her ultimate acceptance of it, according to manufacturers.

"This may be the most important thing we have to consider," said an executive with one of the major coverstock producers.

In the U.S., manufacturers are carefully monitoring the entrance of Procter and Gamble into the field with a new product called Always—"fiendishly clever," was how one competitor described the product, as its coverstock has tiny funnels across its surface which draw the fluid into the pad through a capillary action and show almost no staining on the surface.

The disposable nappy market is much more straightforward, by comparison. Simple performance, as opposed to perceived performance, is the most important factor. The same is true for products aimed at incontinent adults.

Carla Rapoport

Today's nonwovens are replacing traditional materials

New applications in industry

NEW INDUSTRIAL uses for nonwovens are limited only by the imagination of the companies who dream them up. And dreaming has become big business for nonwoven producers who realise that high margins and fast-growing sales are the rewards for those who can be first with an innovative and useful new product.

Most companies are reluctant to discuss projects in the pipeline because competition is so fierce in new product development. Nonetheless, a number of new areas have been opening up in the last few years and these well illustrate the wide areas of application open to innovators of the future.

C. H. Dexter, a division of Dexter of the U.S. which invented teabag paper, devotes around 15 per cent of its personnel world-wide to technical research and development.

"We have to get out of traditional areas of sales and create niches before others are aware of them," says Mr David Gordon, marketing director of C. H. Dexter Europe.

He says the group spends about 6 per cent of its sales on R & D. Two recent areas of nonwoven innovation are porous plug wraps for low-tar cigarettes and new coating substrates used in wallcovering backing. While at first glance these products may seem to occupy niches of microscopic size, Mr Gordon says that is not the case.

"Low-tar cigarettes are a growing market in the U.S. and we believe the same will be true in Europe. As for the new wall-covering backing, our product allows for excellent stability. It allows the wallpaper to retain its shape and prevents it from stretching. We are at the early stages of this market, but we think its a very exciting one."

At Firet, a division of Lantor International, one of the world's leading nonwoven producers, two main areas of product innovation are being promoted. The first is a nonwoven core material called Coremat. This material can be used in the construction of both pleasure and military boats as a replacement for Balsa wood or fibre-glass. It is lighter and more rigid than the materials it replaces, but just as importantly, it is easier to handle.

Coremat is also penetrating the car components industry, for reinforcement of layered plastic car parts.

Firet is also beginning to see good growth potential for its cable wraps, specifically for cables used in telecommunications and electricity supply.

When cables are laid underground, they are exposed to many influences, including water. Traditionally, cable has been wrapped in steel jackets but this process is expensive and not always adaptable to individual environments. Firet's cable wraps, made from nonwoven fibres, are water-expandable, allowing water into their own water-tight traps.

There has been a very long take-off period for this product, according to a Firet executive in Holland. The company reckons that only one or two producers have entered this product area but competition is coming up fast.

Firet says that both the cable wrap and Coremat are now good commercial businesses, after long development periods. Many others are being developed he says.

"There must be new product applications in the pipeline, otherwise our existence is threatened," says Firet.

At Bondina UK, part of the Freudenburg group of West Germany, new product innovation is concentrated in the medical area and air filtration, among others. At the moment glass fibre is used for most air filtration jobs, but the material is brittle and can break down and potentially cause inhalation problems. New uses for nonwoven filtration systems are being investigated for the home, such as cooker hoods and for industrial uses.

The main challenge for new, untried, products is not just developing them, however. Just as important is figuring out a way to get customers to try them. Most new non-wovens are replacing traditional materials, many of which are tied into a chain of purchasing orders, or even capital equipment investments.

Carla Rapoport

NONWOVEN INDUSTRY—PRODUCTION BY END-USES

(In 1,000 tons)

	1970	1975	1978	1981	1982
Coverstock	8.0	24.3	38.2	46.7	57.8
Medical/Surgical	2.5	6.3	8.0	9.4	12.1
Bed and Table linen	0.4	2.6	4.4	3.9	4.6
Wiping cloths	6.0	8.0	10.7	12.3	13.8
Apparel	0.6	0.3	1.2	1.5	1.2
Filtration	3.2	4.8	7.1	7.4	8.1
Interlinings	10.0	9.3	9.6	12.5	12.7
Coating substrates	7.7	6.6	12.4	14.2	14.3
Decoration	0.9	2.1	1.5	1.8	2.5
Civil engineering/Building	—	10.9	18.9	32.8	37.7
Upholstery/Carpet underlays				23.0	23.5
Abrasives/tea bags	1.1	22.1	25.7	13.9	15.2
Waddings and bulky items					2.8
Misc. and non identified			14.4	8.8	9.9
TOTAL	40.4	97.3	152.1	191.0	210

Source: EDANA

NONWOVENS V

Freudenburg widens its international network and sees great potential in China

Group expands operations in U.S. and Japan

MORE THAN 130 years ago, Carl Johann Freudenberg took over a small leather tannery in a valley at Weinheim, not far from West Germany's old university town of Heidelberg. Today, the Freudenberg business is still family-owned, but has diversified its production, expanded its interests to North and South America, Asia and South Africa, and built up sales to DM 2.6bn a year.

Nonwovens, produced with advanced technology, provide much of the impetus for the group's continuing international expansion.

Freudenberg recently brought on stream a new spunbonded nonwovens factory in North Carolina, a joint venture with Kendall of the U.S. It had already been involved in nonwovens manufacturing in the U.S. for more than 30 years through its Pellon Corporation subsidiary.

Co-operation

In Japan, too, Freudenberg is looking to further expansion in co-operation with its existing partner there, Dai Nippon. The companies have been discussing an operation to make spunbonded materials. Co-operation with Japan goes back more than 20 years and Japanese businessmen and technicians have been coming frequently to the rustic setting of the West German group's headquarters.

Freudenberg's network of international nonwovens manufacture also includes operations in Canada, South Africa, Argentina, Spain and the UK, as well as a partnership venture in South Korea.

Herr Norbert Dahlström, who heads the nonwovens division, says the company is studying "blank spaces" on its world map, but cautiously points out that risks are involved in any such moves.

China figures in Freudenberg thoughts, but as a long-term prospect. "Ultimately, if one wants to participate in China, one will have to invest there in some way," says Herr Dahlström.

However, legal conditions, involving patents and dividends, are still very uncertain, he points out. "There are thousands of unanswered questions. Even the Chinese themselves do not have all the answers. But we are keeping our ear close to the ground."

China is viewed not only as a great potential market for nonwovens—particularly if the Chinese begin to abandon uniform attire—but also as a possible base for exports.

Nonwovens have become an increasingly strong part of Freudenberg operations, which include shoe production and retailing, output of seals and gaskets, and other technical products, including printed circuits.

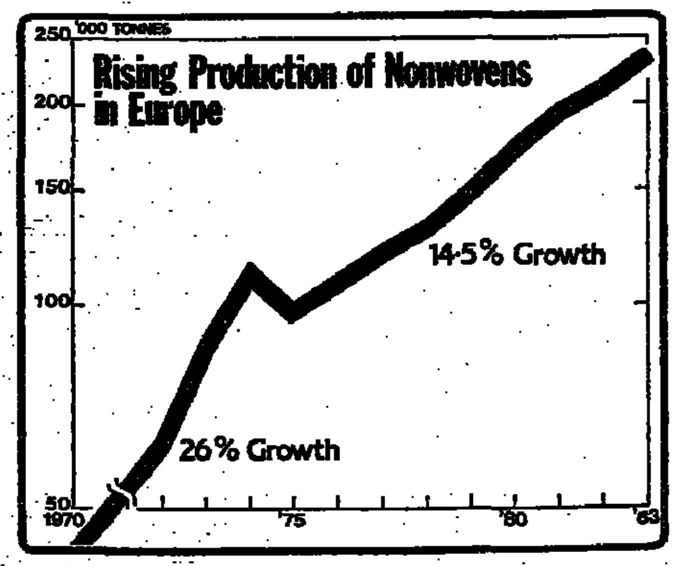
The sales revenue of DM 740.4m from nonwovens last year made up 28 per cent of Freudenberg's total sales, compared with 24.5 per cent previously. Nonwoven's sales grew by 12.6 per cent, nearly twice as much as the 7 per cent growth of total group revenue.

The importance of nonwovens is even greater when the DM 382.4m revenue of the Japanese and South Korean joint venture operations—in which Freudenberg has a minority stake—is taken into account.

Profits of the business are not disclosed, but the company says that nonwovens make a more than proportionate contribution to earnings.

About 30 per cent of the nonwovens sales revenue comes from interlinings for the garment industry, about 20 per cent from medical and hygiene products, 25 per cent from home textiles in a wide sense—including backing for automobile carpets—and 25 per cent from industrial nonwovens, such as cable insulators and filter materials.

The Freudenberg group plans to invest about DM 170m in all operations this year, up from about DM 134m last year. Investment will be concentrated in the U.S. and in West Germany, where projects include a DM 25m polypropylene spunbond process line at the Lutravil factory at Kaiserslautern.



A new staple fibre extrusion unit from James Mackie, of Belfast, Northern Ireland

Herr Dahlström also points out that the company—which claims a pioneer role in the development of nonwovens—spends heavily on research and development. The proportion of sales revenue spent on R and D is about six times as much as that of the textile industry.

Confident

Partly because of this emphasis on technological development, Herr Dahlström is confident in the face of such problems as potential overcapacity in some areas of the industry.

"We are in the process of creating monumental overcapacity in the hygiene market, because everybody in the U.S. and Europe is moving into it," he remarks. "Three or four manufacturers have established themselves in Europe in the past few years or are in the process of doing so." Paper companies, with their traditional products being displaced, are among those getting into nonwovens.

At the same time, the industry is facing a revolution in technology. "The technological trend is towards *larger machines, wider and* faster machines, with much higher output than previously, mainly in the disposable area. The capital cost is rocketing."

As a result of such pressures, many smaller businesses are likely to fall by the wayside, he believes.

Herr Dahlström disputes that nonwovens are operating everywhere in growth markets. Major sectors are already facing shrinking customer industries in some regions of the world. Other segments of the industry are, however, growing fast because they are replacing raw materials such as wovens and jute. "We have growth sectors in roofing, geo-textiles, hygiene — disposable diapers — and in the medical field," he says.

Herr Dahlström believes that Freudenberg can face up to the problems ahead without any need to change the private nature of the company and open it up to investors from outside. Its own resources of capital and reserves make up some 35 per cent of its balance sheet total, a healthy financial position in comparison with many companies.

Freudenberg is entirely owned by 150 family members and is supervised by a committee of family representatives. Herr Dahlström is one of six partners who are responsible for the day-to-day management and who are personally liable to the full extent of their own fortunes. He is one of three outsiders brought in by the family in recent years to strengthen the professional management.

John Davies

Market breakthrough follows decreasing cost of nonwovens

Swift move into the medical area

THE USE of nonwovens in hospitals around Europe is on the increase. The European distaste for disposables is slowly being outweighed by cost advantages and concern for the highest standard of hygiene possible.

For the companies supplying this sector, firm upward growth trends are appealing. So far, however, these increases have not provided a similar upward trend in profits as companies continue to scramble for market share in the expanding market for disposable medical supplies.

Medical non-wovens are worth about $35m a year and represent about 8 per cent of the overall market for hospital drapes, gowns, sheets and other apparel. In America, sales of disposables have reached a hefty 57 per cent market share. But it has taken Europe about eight years to reach its current level of penetration and industry executives expect future growth to be more rapid.

"I think we will see an increase in sales of between 15 and 35 per cent per annum," says Mr Jean-Paul Francois, marketing manager for Dexter Europe, a division of Dexter of the U.S.

Margins

He says that the breakthrough is due to the decreasing cost of nonwovens, the increasing labour costs for laundering washable hospital linens, and the increasing psychological edge among young doctors who believe that disposables are more hygienic than traditional linen.

"Hospital nonwovens are one of the fastest growing parts of our business," says Mr Alan Grey, managing director (CK) of Bondina UK, part of the Freudenberg group of West Germany. The margins, he said cautiously, are "acceptable."

The swift move into the medical area has turned some items, like bed sheets, into commodities where high volumes can be guaranteed, but so can low margins. The companies specialising in this sector, as a result, are looking to make their name in added-value products such as nonwoven fabrics which act and feel like linen as much as possible.

"We want the aesthetics of linen, we want to reproduce the drapebility of linen, that's what everyone is targeting for. Bed sheets are a cut-throat market already, so is head-wear. There is nothing to be built in for higher value in these products," says Mr Francois.

To this end, Dexter has recently invested $4m on updating its machinery at its factory in Brignoud, France. According to Mr Joseph Day, president of Dexter, the group's medical nonwoven sales have tripled in the past three years and now represent about 25 per cent of the group's $40m annual sales in Europe.

Two other major producers of medical nonwovens worldwide are Kimberly-Clark and Du Pont of the U.S. Du Pont has scored strong successes with its Tyvek surgical gowns. Du Pont also sponsored a clinical trial comparing infection rates in hospitals using its gowns as opposed to traditional fabrics. The disposables proved more effective.

Nonwovens are also finding good growth in areas such as wipers to clean patients as well as surfaces, bibs, dusters, overalls, mortuary cloths and shrouds. Further, non-woven wound dressing is finding increasing favour in hospitals.

Crowded as the field is, new competitors are eyeing the market. Bowater-Scott, a 50/50 UK joint venture between Bowater of the UK and Scott Paper of the U.S., is currently testing products in the medical non-woven field. "We see this is an area of potential opportunity," provided we can convince the National Health Service of the value of disposables, says a Bowater-Scott executive.

The UK industry has a challenge ahead in terms of converting the NHS to disposables. This task will be tackled from both the hygiene point of view and the arguments of laundry costs. "The amount of capital tied up in laundry equipment is a barrier to using disposables," said one UK non-wovens executive. "But we see it only as a matter of time before Britain and the rest of Europe switches over to the widespread use seen in the U.S."

Carla Rapoport

END-USES FOR NONWOVENS

Breakdown by end-uses (per cent)

	1970	1978	1981	1982
Coverstock	19.8	25.1	24.5	25.7
Medical/surgical	6.2	5.3	4.9	5.8
Bed and table linen	1.0	2.9	2.0	2.2
Wiping cloths	14.8	7.0	6.4	6.6
Apparel	1.5	0.8	0.8	1.6
Filtration	7.9	4.7	3.9	3.9
Interlinings	24.8	6.3	6.6	6.0
Coating substrates	19.0	8.1	7.4	6.8
Decoration	2.2	1.0	0.9	1.2
Civil engineering/building		12.4	17.2	17.9
Upholstery carpet underlays			12.0	11.3
Abrasives/tea bags	2.8	17.0	7.3	7.3
Waddings and bulky items			1.5	0.7
Miscellaneous and non-identified		9.4	4.6	4.6

Source: EDANA

Kendall of the U.S. boosts manufacturing base in Europe

Strong place in health care

THE VARIED nature of the participants in the nonwoven industry worldwide finds one illustration in the U.S.-based company, Kendall, of Boston, Mass.

Originally a cotton producer, Kendall moved a long time ago into health care and numbers among its diverse product range highly sophisticated diagnostic monitoring equipment. Its strong position in this sector and its upmarket image were among the attractions for Colgate-Palmolive — then anxious to expand beyond its soap and toothpaste base — when it acquired the company in 1972.

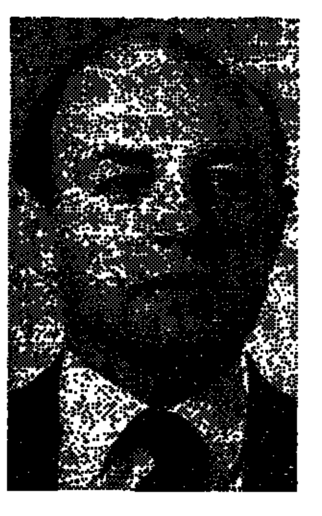
Kendall's health care interests have also retained, however, a strong textiles orientation and it is one of the main suppliers of items such as surgical sponges, dressings, bandages, operating theatre gowns and other textiles to the U.S. medical market. It was one of the first companies to investigate the new technology of nonwovens and to develop a range of products.

Today it is one of the world's biggest producers of the product and a major supplier to America's other soap giant, Procter and Gamble (P and G), of coverstock — the fabric used in disposable diapers.

Unlike its main health care rival in the U.S., Johnson & Johnson, Kendall has traditionally not had a very high profile in Europe but over recent years it has sought to rectify this. The parent company decided in the mid-1970s that it was time to step up Kendall's presence in Europe, Latin America and Japan.

Major plants have been opened by the company to make nonwovens for coverstock in Belgium and for feminine hygiene products in the UK. "In the past few years we have sought to move the emphasis of manufacturing activities away from the U.S. in order to be sensitive to local needs," says Mr William Duncan, director of marketing for Europe. The company is now exporting back to the U.S., from its European plants.

Kendall's growth as a coverstock supplier has been largely due to the very close links forged with P & G and in Europe it remains one of the company's principal suppliers. In the U.S., Colgate-Palmolive came out of disposable diapers after taking over Kendall to avoid a conflict of interest with P & G, but it makes and markets brands for Britain and France.



Mr William Duncan, European marketing director for Kendall, a major supplier of coverstock

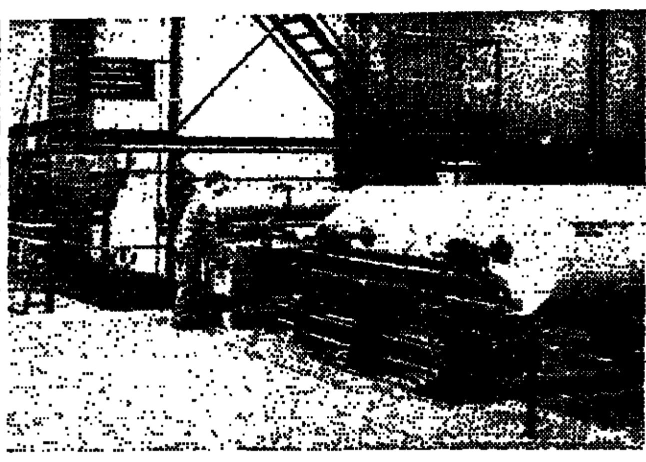
The company has invested heavily in Europe to make the new thermally bonded polypropylene coverstock which is expected to replace much of the resin-bonded material now on the market.

It is major technological developments of this sort, requiring large investment, which Kendall sees as eventually sorting out the weak from the strong in the European industry, where worries about overcapacity are now beginning to emerge.

Kendall is one of four big companies which are currently trying to get a study undertaken into the industry's capacity to establish an asset register. "Too many investment decisions have been taken without adequate information. What we want to find out on a fully confidential basis is how many machines there are currently installed, the width of fabric they produce and their productive capacity," Mr Duncan observes.

Whatever the results Kendall is anxious to stress its intention to stay on as a major supplier in Europe with a commitment to nonwovens production, including a range of higher technology products aimed at hospitals and other markets.

Rhys David



Manufacturers place a strong emphasis on research work

PRODUCTION of nonwovens (above, left) at Lantor's plant in Bolton, Lancashire. The company is among the leaders in the industry in the UK and, along with most of the companies within the British Nonwovens Manufacturers' Association can boast of new and complex machinery as part of their policy of continuous technological advancement.

Other members of the association include Bonded Fibre Fabric of Bridgwater, Somerset; Bondina, of Greetland, Halifax, Yorkshire; Bowater-Scott, textile replacement division, of East London; Vernon-Carus of Darwen, Lancs; C. H. Dexter of London; James R. Crompton, of Bury, Lancs; Johnson and Johnson of Slough, Bucks; Kimberly-Clark, of Maidstone, Kent; Reedbond, of London; and Wiggins Teape. Industrial paper division, of London.

Another aspect of nonwoven production is seen above (centre), in Sweden where Storalene nonwoven fabric forms the basis of roofing felts, manufactured by Mataki.

Tests have shown that products such as Marolene roofing felts exhibit good elongation properties, water repellence, processability and better bitumen adhesion than, for example, ordinary rag-felt material.

Above, right: the relatively easy installation in Stockholm, Sweden, of Icopal roof-lining results from the material's light weight and other properties, such as high tensile strength.

● Energy-saving: other examples for nonwoven products in the house-building industry include Tyvek "housewrap" which is claimed to cut heat loss through walls by 33 per cent.

The spunbonded olefin from Du Pont is used as a sheathing around buildings and has properties that reduce cold air infiltration but pass moisture vapour to prevent condensation.

The manufacturers claim that Tyvek can be quickly installed at relatively low labour cost: two men can put out 1,800 sq ft in less than two hours, using only a knife and staple gun.

Michael Wiltshire

Diverse applications range from the reinforcement of river banks to the strengthening of airfield runways

Geotextiles now the biggest growth area

WHEN THE golfing authorities chose the Geneva Golf Club to host the world amateur women's championship two years ago, the club was delighted. Twenty-six national teams of three players each would be playing the course, an accolade for any club.

Unfortunately, the groundsman had a problem which threatened the whole show. The bunker at the third hole drained particularly badly and others were difficult. If water lay in them during play it threatened the success of the tournament.

Poor subsoil quality and an endemic course drainage problem had combined to cause intermingling of sand and subsoil.

Solution

The answer to the problem was found in Du Pont's Typar, spun-bonded polypropylene, a non-woven fibre sheet introduced in 1970 and widely used as a substrate or support membrane in construction projects, carpet backing, roof lining and packaging.

To solve the problem the surface sand in the bunker was removed and a plastic pipe drain laid on a bed of Typar and chippings. This was covered by sheets of Typar and the sand replaced.

The players were delighted: plugging in the bunker was avoided. The club was also delighted: the modification did away with the need for costly sand renewal.

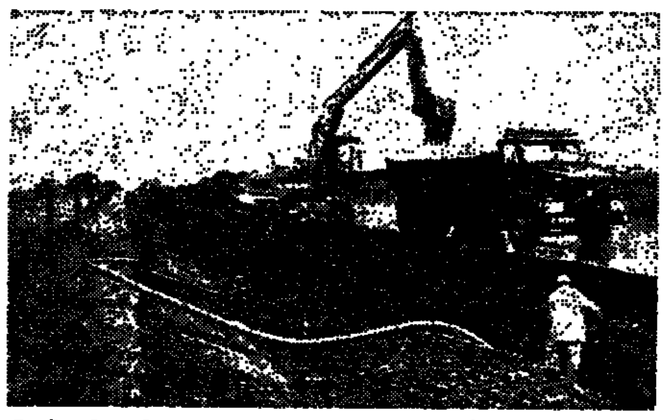
Further north, in Holland, the Government ran into problems where the Scheldt, Rhine and Meuse flow into the sea through flooding. In 1953 the dikes failed and 1,800 people died.

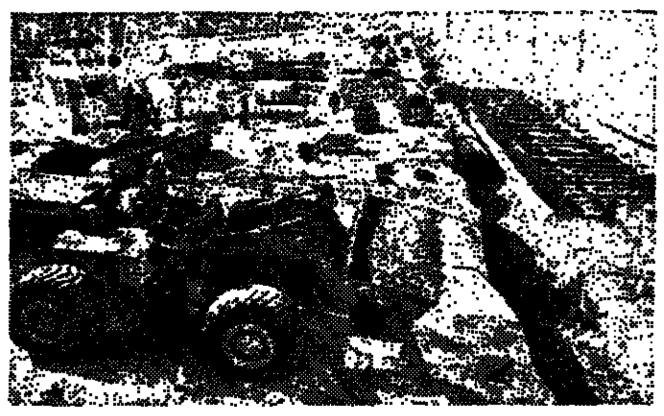
To avoid another such tragedy a decision was taken to close four of the country's most valuable estuaries and by the time three had been shut it became evident that permanent flood protection was causing environmental problems.

The answer was to instal a semipermeable dam system in which mattresses of Typar cover a large part of the seabed on both sides of barrier piers. This significantly increases the load-bearing capacity of subsoils.

The advantage of this spunbonded polypropylene is not just the weight it will hold but also its permeability. As in the golf club's bunker the permeability allows for filtration while holding layers of different materials in place.

As a result, this nonwoven, and others like it from different producers, are being increasingly used in the field of geotextiles. They reinforce airport runways, sports fields, car parks, and support river banks and drainage systems.





In Sweden (left) more than 800 km of Wavin drainage pipes were laid alongside roads within 18 months. The corrugated pvc pipes are jacketed with a protective fabric of Du Pont's Typar spunbonded polypropylene. In Dubai, ICI's Terram 70 was installed to help protect the sandstone bedrock of the massive Port Rashid project

In Europe Du Pont's Typar competes mainly against ICI's Terram and the French group, Rhone-Poulenc's Bidim. Output by all three companies is broadly comparable, though the American company has a higher proportion of its production in non-civil engineering activities, such as roofing and insulation than its two European-owned rivals.

The use of non-wovens in civil engineering originated in Europe and it remains the main centre for the product's development. In the U.S. woven fabrics have traditionally enjoyed a bigger share of the market.

The most significant reason for the product's growth has been the steady progression in the range and quality of applications.

Initially, in the early 1970s, it was used mainly on construction sites to prevent vehicles churning up temporary road surfaces in wet conditions, and was removed on completion of operations.

The past 10 years have seen it become an integral part of the civil engineering and building process and its uses have extended from major projects to domestic housing. The problems it can solve have also become no less varied. These now include highway drainage, where geotextiles are often buried under topsoil on roadside verges and over drainage stones. Previously to deal adequately with the volume of water coming off road surfaces, it was necessary to place the drainage stones on the surface. The danger here was that the stones could be propelled on to the carriageway by grasscutting machines or cars pulling off the road.

Other applications are docks and harbours, where nonwovens can help to prevent loss of ballast from under concrete slabs; unsurfaced and surfaced roads, including farm roads and even garden paths. According to Mr I. R. Clough, commercial manager of ICI Fibres' geotextiles group, these applications where geotextiles form part of the overall product specification now account for as much as 80-90 per cent of material used.

Trends now taking place within the geotextiles sector include a move to lighterweight products as manufacturers find ways of increasing the performance of their fabrics at lower weights.

New areas

ICI Fibres itself is using this move to lighter weights to back a new push into other product areas, such as roofing, where it has a specialist flat-roofing product Roofstat, used in conjunction with polystyrene insulation blocks in buildings in very warm and very cold countries.

Fibre usage has yet to take on a common pattern. Du Pont's Typar is a polypropylene, while ICI uses a 70 per cent polypropylene 30 per cent polyethylene combination. Though it is vulnerable to ultraviolet degradation, this is not a major problem in a product which is likely to be buried; and it has the advantage of being chemically inert and therefore resistant to rotting and ageing.

Rhone-Poulenc, however, has committed itself to polyester, which it claims has advantages over polypropylene in strength, resistance to temperature and light and in other properties.

Higher production

Within western Europe production of nonwovens for civil engineering and building purposes, which to all intents is the geotextiles field, has risen from some 10,900 tonnes in 1975 to 37,700 tonnes in 1982. This is now the second most important end use of nonwovens (after coverstock) and accounts for 17.9 per cent of total usage.

Nonwoven geotextiles have been an important export, especially to Eastern Europe and the Middle East, in this time and the above average growth in overseas sales is expected to continue.

Edana believes that although there may be some slow-down in use of geotextiles for the largest engineering undertakings as government funding runs down, this should be counter-balanced by an increase in the use of the products in smaller scale construction and repair work.

Anthony Moreton and Rhys David